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CIVIL AFFAIRS HANDBOOK

on

GREECE

Section Eight

on

INDUSTRY AND COMMERCE

DEPARTMENT OF STATE
REFERENCE DIVISION
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Prepared by
The Office of Strategic Services
for
Military Government Division
Office of the Provost Marshal General

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CIVIL AFFAIRS HANDBOOKS

TOPICAL OUTLINE

1. Geographical and Social Background
2. Government and Administration
3. Legal Affairs
4. Government Finance
5. Money and Banking
6. Natural Resources
7. Agriculture
8. Industry and Commerce
9. Labor
10. Public Works and Utilities
11. Transportation Systems
12. Communications
13. Public Health and Sanitation
14. Public Safety
15. Education
16. Public Welfare

The preliminary draft of each of the above sections on Greece is being issued separately. This section (VIII) deals with Industry and Commerce.

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INTRODUCTION

Purposes of the Civil Affairs Handbook.

International Law places upon an occupying power the responsibility for maintaining civil order in the areas occupied.

The basic purposes of civil affairs officers are thus (1) to assist the Commanding General of the combat units by quickly establishing those orderly conditions which will contribute most effectively to the conduct of military operations, (2) to reduce to a minimum the human suffering and material damage resulting from disorder and (3) to create the conditions which will make it possible for civil government to function effectively.

The preparation of Civil Affairs Handbooks is a part of the effort to carry out this obligation as efficiently and humanely as is possible. The Handbooks do not deal with planning or policy. They are rather ready reference source books of the basic factual information needed for planning and policy making. For these reasons, it should be clear that the data contained in this section does not imply any given program of action.

Revision for Final Publication.

Significant area information is immediately needed to make certain that it is in hand whenever events require it.

Arrangements were therefore made with the cooperating agencies to organize all immediately available material in accordance with a prepared outline. Hence, this section on Industry and Commerce on Greece should be considered a preliminary draft. As more detailed or more recent material becomes available, especially as to governmental controls over industry, it is to be incorporated into the handbook on Greece as a whole.

OFFICERS USING THIS MATERIAL ARE REQUESTED TO MAKE SUGGESTIONS AND CRITICISMS INDICATING THE REVISIONS OR ADDITIONS WHICH WOULD MAKE THIS MATERIAL MORE USEFUL FOR THEIR PURPOSES. THESE CRITICISMS SHOULD BE SENT TO THE CHIEF OF THE SURVEY AND RESEARCH SECTION, MILITARY GOVERNMENT DIVISION, P.M.G.O., 2805 MUNITIONS BUILDING, WASHINGTON, D. C. (OR PHONE WAR DEPARTMENT EXTENSION 76370).

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INDUSTRY AND COMMERCE

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*Official statistics in respect to industry and commerce are issued by several different Greek governmental agencies. Unfortunately, they do not always agree. Hence, in developing statistical data, even from official sources, it has been necessary to resort to estimates. It should be clearly understood that statistical material in this section is subject to these limitations.

INDUSTRY and COMMERCE - GREECE

A complete list of the principal Greek industries, with the number of establishments for each industry, is as follows:

A. 100 Mining and Metallurgical Industries

B. Metal Fabricating Industries

274 Machine Shops - Shipyards
60 Iron Foundries
11 Agricultural Machinery and Other Implements
24 Metal Furniture
6 Aluminum Products
100 Copper and Bronze Products
2 Enamel Ware
21 Tin-Plate Products (boxes, lamps, household goods)
6 Iron-Plate Products
7 Iron Pipes, Stoves
16 Lead Pipes
22 Nails, screws, pins, wire
4 Iron Rods
3 Electric Dynamos
6 Chandeliers
9 Iron Doors and Windows, Locks, etc.
2 Razor Blades
2 Safes, Scales
37 Carriage Building (Body building for cars and trucks)
6 Radios
1 Ice Boxes
5 Electric Batteries

C. Construction Industries and Potteries

6 Cement
7 Cement Pipes
80 Roof Tiles - Bricks
33 Mosaic Tiles
14 Lime
8 Putty, Plaster of Paris, Marble
21 Marble Cutters
36 Pottery in general

D. Spinning and Textile Industries

25 Cotton Spinning Mills (Spindles - 108,300)
33 Cotton Weaving Mills (Spindles - 191,410) (Looms - 2,500)
65 Cotton Cloth Mills (Looms - 2,850)
13 Thread Industry
7 Ribbon
13 Shoe Strings, Elastic Tape, etc.
126 Cotton Gins
17 Wool Spinning Mills (Spindles - 34,331)
12 Wool Weaving Mills (Spindles - 33,138) (Looms - 1,161)
19 Wool Cloth Mills (Looms - 532)
4 Mills producing mixed materials (wool, cotton, etc., Looms - 39)
10 Silk Mills
4 Necktie Material
1 Artificial Silk
5 Jute, Hemp and other vegetable thread mills
(Spindles 4,854) (Looms - 460)
9 String and Rope (Rope - 1,248 Spindles, String - 1,487 Spindles)
13 Oil Cloth
12 Mats (cocoanut fibre, etc.), Brushes and Brooms
2 Tooth Brushes
77 Stockings (Knitting machines - 1,228)
71 Shirts and Sweaters
(Knitting Machines by power - 285)
(Knitting Machines by hand - 250)
24 Carpets

E. Food

76 Farinaceous Foods (Macaroni, Noodles, etc.)
10 Yeast
32 Bakeries (machine equipped)
10 Biscuits
7 Processing of Rice
16 Canning Factories
15 Fish in Brine
17 Sausages
5 Salt Codfish
4 Starch
1 Grape Sugar
2 Milk Sterilizing
20 Alcohol
13 Vinegar
30 Liquor
31 Wine

E. **Food** (Continued)

2	Beer
143	Ice and Refrigerating Plants
10	Chocolate
15	Sugar Products
19	Halvas Factories (local sweet)
26	Oil Seed Mills
15	Oil Refineries
6	Salt Refining
22	Raisins and Currants
30	Aerated Waters and Beverages
7,676	Flour Mills (of which 2,106 are run by power) (balance by water or air)
9,536	Olive Mills (of which 1,986 are run by power)

F. **Chemical Industries**

46	Olive Kernel Mills (sulphur oil)
64	Soap (Note: 64 important factories - more than 160 in all)
23	Resin Products
28	Shoe Polish, Varnish, Paint
2	Blueing
5	Dyes, organic
12	Pharmaceutical Products
7	Volatile Oils
4	Cottonwool
26	Perfume
7	Glue
2	Tannery Material
10	Oxygen, Acetylene, etc.
3	Tartaric Acid
10	Ink and Typewriter Ribbons
8	Paraffine and Mineral Oils
17	Rubber and Rubber Products
2	Glass
2	Fertilizers and Acids
4	Gas
7	Asphalt, cold
9	Magnesium, Zinc, Sodium
19	Explosives
5	Fireworks
3	Electric Bulbs
2	Neon Tubes
1	Naphthaline

G. **Leather**

172	Tanneries (the most important ones)
35	Luggage
7	Gloves
3	Shoe Factories (run by electric power)

H. **Paper**

20	Paper and Cardboard

H. **Paper** (Continued)

30	Paper Boxes
3	Roofing Paper
9	Stationery
126	Printing
22	Lithographing
7	Labels
10	Paper Bags
1	Paper Napkins

I. **Clothing**

2	Manufacture of felt hats
2	Manufacture of straw hats and blocking of felts
16	Umbrellas
11	Power Laundries
9	Dye Factories
21	Buttons, Combs, etc.

J. **Woodworking**

26	Furniture
120	Doors, Windows and Boxes
9	Shoe lasts, shoe heels, and textile spindles
1	Veneer
2	Toothpicks
83	Barrels
6	Cork
2	Pens and Pencils

K. 38 **Tobacco**

L. 400 **Electricity**

The figures for the size of the flour and oil industries are surprisingly high, but in fact many of these flour mills are small local enterprises often using water or wind as their motive power, some working seasonally, while the majority of the oil producing establishments are communal oil presses. Nevertheless, flour mills were an important industry at the larger ports or centers. As for the oil industry, several refineries were built in recent years to refine olive oil for export and to crush cottonseed oil or extract sulphur from kernels.

HISTORY OF GREEK INDUSTRY

Shortly after Greece gained her independence,manufacturing activity increased. There were shipbuilding yards in Syra, a gunpowder factory in Athens, a smaller one at Dimitsana, later an iron foundry in Piraeus, a number of brick and tile factories, flour mills, gas and electric plants. However, all were somewhat primitive, eking out a poor existence; and there were many failures. Actually, until the twentieth century nearly all manufactured products consumed in Greece were imported from abroad.

The industrial problem was discussed in Greece at some length in the year 1936 when Nicholas Kanelopoulos, known as the "father of Greek industry", died. It was then emphasized that the group of industries headed by this man comprised the first concentrated, the oldest, and in some ways the largest industries developed in Greece. Starting with a soap factory, Nicholas Kanelopoulos and a number of other engineers and chemists, most of whom had studied in Germany, visualized and founded the group of industries known as the Charilaos and Kanelopoulos Group, producing such varied items as fertilizer, cement, textiles and wine; later a pottery and a construction company were added. As is natural in Greece when various people get together, there was some disagreement and several of the group broke away and formed separate competing companies. Thus industry spread in Greece. World War I, with the acute lack of shipping, once again brought forth the necessity of increasing Greek industry, and accordingly plans toward this end were started during and immediately after the war.

INDUSTRIES FOUNDED 1921 - 1939

The industries, as listed on the attached Table A, which were founded between 1921 and 1939, represented a tremendous achievement for such a small country as Greece.

This 19-year period can be subdivided into two phases:

A. The period from 1921 - 1931

This was a period first of national disaster, second of political

TABLE A

THE MOST IMPORTANT FACTORIES BUILT IN GREECE BETWEEN 1921-1939

INDUSTRIES

YEAR	Metal Fabrication		Constructing		Spinning & Textile		Food		Chemical		Leather		Paper & Printing		Clothing		Woodworking		Tobacco-working		TOTAL		Average Per Plant		Electricity Plants	
	No.	H. P.	No.	H.P.	No.	H.P.	No.	H.P.	No.	H.P.	No.	H.P.	No.	H.P.	No.	H.P.	No.	H.P.	No.	H.P.	No.	H.P.	No.	H.P.	No.	H.P.
1921	2	9	3	38	5	104	27	1334	2	40	3	13	4	125	-	-	8	92	2	66	56	1821		33		
1922	2	-	1	20	4	30	25	216	6	50	1	8	1	9	-	-	2	6	4	32	46	371		8		
1923	1	3	3	82	6	435	19	266	2	130	1	80	3	110	-	-	6	111	-	-	41	1217		30		
1924	6	135	6	227	9	190	60	1697	7	-	1	-	4	82	-	-	2	126	2	11	107	2518		23		
1925	15	640	7	583	11	512	50	1756	8	345	4	118	6	110	-	-	31	560	-	-	132	4624		35	16	700
1926	11	159	3	65	10	448	80	2102	4	73	2	37	2	65	1	-	11	196	-	-	124	3145		25	40	5520
1927	8	235	1	25	24	1131	155	4161	14	350	5	77	-	-	-	-	7	126	-	-	214	6105		28	50	2500
1928	3	30	2	268	20	934	147	4977	3	-	2	28	2	25	-	-	13	278	-	-	192	6540		34	70	2780
1929	2	112	2	30	12	743	35	1375	4	210	-	-	2	680	1	15	4	50	-	-	62	3215		60	58	2100
1930	3	120	3	72	8	483	20	751	2	12	2	15	-	-	-	-	6	148	1	35	45	1636		36	30	1035
1931	5	180	-	-	6	238	70	2113	1	-	-	-	2	20	-	-	9	200	-	-	93	2751		29	46	1395
1932	3	57	2	10	11	250	24	547	3	51	1	7	-	-	2	53	4	28	-	-	50	1003		20	21	630
1933	5	143	1	25	2	834	20	470	5	53	-	-	-	-	-	-	4	88	-	-	37	1613		-	-	-
1934	1	6	3	538	8	130	38	1084	11	86	3	95	1	-	-	-	2	30	-	-	67	1969		30	13	325
1935	5	874	3	85	8	212	81	1793	10	81	1	70	1	70	2	7	2	62	-	-	113	3254		29	5	128
1936	14	355	2	-	7	116	77	2037	16	197	1	25	-	-	-	-	7	125	-	-	124	2925		23	27	675
1937	10	260	8	1240	18	852	93	2408	18	178	1	30	6	450	-	-	6	120	-	-	160	5538		36	19	475
1938	7	65	8	140	15	1162	104	2256	7	30	2	83	1	5	-	-	6	231	-	-	152	5672		37	17	425
1939	7	91	2	10	10	478	88	1806	8	92	2	10	2	27	3	43	9	105	-	-	131	2662		20	10	200
TOTAL 1921-1939	110	3494	60	3508	194	9352	1213	33149	131	1978	32	696	37	1778	9	118	149	2682	9	144	1946	58599		30.1	437	19.335
GENERAL TOTAL . . .																									2383	77.934

and economic unrest; the last five years saw the floating of loans abroad, the construction of large public works in Greece, expansion and then an effort at consolidation. As is natural during an expansion period, there was much speculation, change of ownership and unnecessary waste.

A great impetus was given to industries during this specific period by the surplus labor supplied by the large influx of refugees in the fall of 1922. These refugees settled near the large cities, especially in the outskirts of Athens and Piraeus, and formed large depots of labor supply of good quality.

B. The period from 1931 - 1939

The beginning of the year 1932 was a critical time in the financial history of Greece. When England went off the gold standard in the fall of 1931, Greek financiers tried to persuade the Government that they could peg Greek currency to the dollar, but for the second time in Greek history they failed to achieve this. The drachma had been pegged to the pound for too long. Large loans that had been floated abroad from 1925 to 1928 for public works had by that time been used up. Some of the public works had not been completed and because of the worldwide depression it was impossible to find money to finish them. With the financial situation becoming more and more involved and with the depression spreading to Greece, it was natural to look for a new policy. It was obvious that with a decreased reserve in the hands of the Central Bank, with the impossibility of borrowing new money which might have completed the public works and at the same time strengthened the gold reserve of the Central Bank, drastic steps had to be taken to safeguard the currency, to reduce the export of capital and to find some solution that would in time balance the payments of the country. To accomplish this, imports were restricted, especially imports of luxuries or any items that might be

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QUANTITY AND VALUE OF AGRICULTURAL PRODUCTS IMPORTED BY GREECE DURING THE YEARS 1926 - 1939

TABLE B

		1926-1930*		1931-1935*		1936-1939*		1938		1939	
		QUANTITY	VALUE**	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE
Wheat and Flour	Tons	536,200	2,533	485,000	1,284.8	455,000	2,025.5	476,000	2,167	366,000	1,180
Other Cereals	Tons	40,000	141.4	55,800	170	68,700	205	65,000	215	67,000	188
Food in General	Hds.	1,236,200	2,081.4	952,000	1,383.4	698,500	1,621	540,000	1,738	530,000	1,494
	Tons	191,200		151,200		161,500		174,000		144,000	
Essential Goods	Hds.	7,800		6,000		4,200	1,875			3,000	
	Tons	966,200	1,328.8	1,012,400	1,100.6	1,331,000		1,392,000	2,023	1,319,000	2,021
	Pcs.	9,000		6,000				20,000		10,000	
Other Necessary Goods	Hds.							5,000			
	Tons	87,400	1,827.2	67,000	1,518.6	141,500	2,516	144,000	2,671	169,000	2,312
	Pcs.	1,090,000		1,551,400		6,186,000		7,453,000		10,085,000	
Raw Materials For Industry	Tons	116,800	1,205.4	143,400	1,600.3	232,500	2,610	255,000	2,787	203,000	2,221
Building & Roadmaking material	Tons	361,000	753.6	286,400	721.8	216,000	698.5	201,000	708	181,000	660
Machinery and spare parts	Tons	28,400	510	16,000	442.8	24,700	979	26,000	1,059	27,000	1,384
Ships and Accessories	Tons	800	78.6		36.6		266	1,000	597		116
	Pcs.	68,000		30,000							
Luxury Articles	Tons	15,600	1,124.8	7,400	604.8	6,750	761	7,000	797	6,000	697
	Pcs.	3,659,800		6,838,000		18,179,000		24,593,000		19,037,000	
Total Value			11,682.8		8,864.4		13,550.5		14,761		12,275
Total	Hds.	1,244,200		957,800		704,000		545,000		533,000	
	Tons	2,343,000		2,185,000		2,638,700		2,741,000		2,483,000	
	Pcs.	9,774,200		8,393,600		24,357,000		32,067,000		29,133,000	

* Average per year
** Value in millions of Drs.

considered unnecessary; to encourage industry, imports of manufactured goods were restricted.

During this period, imports as a whole did not show as large a decline as could have been expected after the specific policy of import reduction had been instituted. However, when the attached Table B on imports is studied more carefully, it will be seen that while the total imports show no great reduction, but on the contrary show a slight increase, this is due to the considerable increase in the importation of raw materials and essential goods. It is necessary to keep in mind that not only had the population of Greece increased by a million and a half (approximately 15%) in the ten years just preceding the invasion, but that the standard of living had been constantly rising. Because of these factors, it has been possible to limit the importation of goods in general only by increasing local production. Had this production not been increased and had there been no restriction on imports, the deficit of the balance of trade would have been much larger.

PRODUCTION OF LOCAL INDUSTRIES

The following figures on the value of industrial production in Greece from 1921 to 1939 give a general idea of the extraordinary increase of actual production:

Yearly Totals of Value of Industrial Production in Greece (in Drs.)

1921	1,077,103,000
1923	3,189,886,000
1925	4,977,822,000
1926	5,472,686,000
1927	6,655,375,000
1929	7,157,195,000
1930	6,671,222,000
1931	6,062,099,000
1932	6,749,610,000
1933	8,216,153,000
1934	9,913,281,000
1935	10,177,257,000
1936	11,840,829,000
1937	13,829,833,000
1938	13,586,247,000
1939	14,112,678,000
Total	129,689,276,000

During the same period the import tariff on manufactured goods was repeatedly raised, which gave further impetus to industry. Under such conditions it was natural that many industries, which had previously had little reason to exist, started to flourish. The only brake on the expansion of industry was a lack of financial resources.

PRODUCTION BY QUANTITY

If one takes the year 1929 as a good industrial year and uses this year as a basis, the index figure for all classes of industry by quantity produced is as shown in Table C.

It will be seen that clothing, which represents mainly hats, shows a large and constant reduction. The leather industry, to a small extent, shows a reduction, and also the metallurgical industry shows a slight reduction. All other classes of industry show a considerable increase, with electricity and metal fabricating industries leading.

VALUE OF INDUSTRIAL PRODUCTION 1938-1939

The value of the production of Greek Industries, by category, during 1938 and 1939, without calculating wine and olive oil industries and the production of the wheat mills, was as follows (in Drs.):

	1938	per cent of Total	1939	per cent of Total
Metallurgical	67,969,000	0.5	62,519,480	0.4
Metal Fabrication	654,957,400	4.7	560,492,260	4.1
Building Materials	509,619,340	3.8	516,859,870	3.7
Textiles	3,669,102,450	27.1	3,859,912,405	27.4
Food	2,347,195,560	17.2	2,518,950,330	17.8
Chemicals	2,949,237,910	21.7	3,123,878,720	22.1
Tanning and Leather Working	1,020,250,000	7.5	927,600,000	6.5
Production and Paper Finishing	433,127,750	3.3	498,583,500	3.5
Clothing	40,018,400	0.3	37,500,000	0.3
Woodworking	515,000,000	3.8	472,000,000	3.3
Tobacco Working	229,765,000	1.6	234,382,100	1.6
Production of Electricity	1,150,000,000	8.5	1,300,000,000	9.3
Total	13,586,242,810	100.-	14,112,678,665	100.-

TABLE C

INDEX OF THE INDUSTRIAL PRODUCTION BY QUANTITY

BASIC YEAR 1928 - 100

Years	Gen. Index	Metallurgical	Metal Fabrication	Construction	Textile	Food Stuffs	Chemical	Leather	Paper	Clothing	Tobacco	Electricity
1921	61.34	77.66	8.91	38.70	42.60	76.26	61.47	86.48	10.41	43.94	84.38	-
1922	70.52	64.07	11.88	44.71	51.70	73.41	65.75	124.05	19.78	34.45	92.52	-
1923	62.71	63.46	34.29	50.37	44.49	74.67	59.67	114.86	19.41	62.92	75.74	-
1924	80.70	74.11	84.61	66.28	48.96	82.17	72.33	148.64	28.10	80.40	93.80	
1925	88.89	71.98	85.18	74.09	64.64	90.15	87.24	148.64	34.33	84.49	122.23	66.66
1926	84.56	74.41	71.92	82.17	79.23	81.14	74.30	119.45	31.23	79.74	104.16	66.66
1927	94.41	76.45	92.33	82.27	87.10	93.16	98.44	119.45	57.26	91.64	101.87	83.33
1928	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
1929	101.79	74.85	93.67	104.70	100.61	102.28	117.28	79.72	120.82	77.31	103.02	130.00
1930	105.28	100.53	88.14	107.22	110.32	92.40	106.43	91.62	125.09	66.74	100.43	166.66
1931	108.88	92.76	85.85	108.08	116.18	92.86	96.87	102.70	130.41	55.33	98.73	191.66
1932	102.67	93.16	71.64	108.85	120.41	81.12	83.45	83.78	128.13	44.00	92.64	200.00
1933	111.79	105.70	67.54	110.05	135.34	83.66	100.00	100.00	143.42	48.12	98.87	208.33
1934	127.48	93.44	135.15	141.67	153.53	93.57	108.07	99.99	202.36	49.39	102.22	245.77
1935	143.17	82.48	415.12	141.72	160.31	122.71	124.63	90.14	164.58	48.56	110.91	288.03
1936	141.72	80.79	306.02	140.27	180.32	95.87	134.03	75.53	155.16	40.51	114.13	322.31
1937	153.87	82.44	603.45	147.90	186.89	103.12	146.09	61.50	182.07	37.81	114.86	383.12
1938	168.08	84.17	584.17	149.29	199.04	104.92	178.48	62.60	173.88	29.88	125.26	433.81
1939 9 months	179.00	97.10	346.25	178.66	237.42	105.92	189.21	62.52	183.81	13.15	128.67	483.64

DETAILS OF INDUSTRIAL PRODUCTION
1938-1939

Imports of Manufactured goods by Classification and Exports

It is impossible to get an exact picture of Greek industry unless one covers somewhat more fully the factories in existence before the war and the production of these factories. It is important that Greece imports the major portion of its fuel. While the subsoil is rich in lignite and lignite is mined, very few of the factories have used lignite for fuel because they lack the special equipment (special grates) to do this properly. The Electric Light Company of Athens and Piraeus (a concern totally owned by the British) signed an agreement to use some lignite as fuel.

The following pages show more detailed information covering the various industries of Greece, including production figures for 1938 and 1939.

A. MINING AND METALLURGY

Up to the year 1939 the metallurgical industry consisted largely of grinding mills, flotation plants and the smelting of lead at Laurium.

The total value of metallurgical production for the two years 1938 and 1939 is as follows:

1938	67,969,000 Drs.
1939	62,519,480 Drs.

In the year 1939 a new foundry, producing iron and steel and using scrap iron as raw material, was completed. This foundry was equipped with Sieman-Martin furnaces. In the same year a rolling mill plant was brought from the United States and erected in Greece. In 1940 this plant took large orders for iron and tin plate. It is doubtful if it had delivered any of its products at the time of occupation.

B. METAL FABRICATION

The metal fabricating industry is a large one and includes the manufacture of machinery, hardware, electric batteries, piping, radiators, etc. The total production value of this industry for 1938 and 1939 was as follows:

1938 . . . 654,957,400 Drs.
1939 . . . 560,492,000 Drs.

The increased value is due to the quantity of automobiles imported.

Imports of machinery, hardware and other manufactured metal products in 1938 and 1939 were as follows:

	Tons	Value
1938	50,008	1,764,500,908 Drs.
1939	45,623	2,118,114,580 Drs.

The following table shows the production and value of the main products of the metal fabricating industry for the years 1938 and 1939:

Product	1938		1939	
	Production	Value in Drs.	Production	Value in Drs.
Machinery		200,000,000		120,000,000
Nails	6,100 Tons	54,900,000	5,000 Tons	45,000,000
Screws	320 "	9,600,000	260 "	7,800,000
Wire	5,000 "	45,000,000	4,000 "	36,000,000
Scales	1,100 Pcs.	2,400,000	1,100 Pcs.	2,400,000
Safes	180 "	810,000	180 "	810,000
Beds	70,000 "	38,500,000	50,600 "	32,500,000
Agricultural Implements	15,000 "	6,000,000	12,000 "	4,800,000
Locks	173,000 "	3,542,000	155,000 "	3,096,000
Copper and Bronze Products	1,560 Tons	89,500,000	1,590 Tons	102,800,000
Aluminum Products	161 "	26,950,000	145 "	24,650,000
Enamel Products	331 "	20,000,000	330 "	20,000,000
Electric Batteries	7,600 Pcs.	6,480,000	8,600 Pcs.	7,998,000
Iron Pipes	2,844 Tons	45,504,000	2,353 Tons	38,825,500
Copper Pipes	500 "	8,250,000	600 "	10,200,000
Radiators	800 "	16,000,000	750 "	15,550,000
Stoves	12,000 Pcs.	6,600,000	14,500 Pcs	5,800,000

The machinery produced in Greece included, among other things, olive oil presses, grain elevators and simple pumps. Also there was the manufacture of iron wire, barbed wire, and nails and screws of various kinds, as will be noted in the foregoing table. Nails used for spiking peasants' shoes and nails for shoeing horses and mules were entirely manufactured locally. These particular factories worked so well that importation of such items was reduced to a minimum. This can also be said for the manufacture of iron beds and plows.

The aluminum and enamel divisions of the metal fabricating industry were comparatively new in Greece. They had prospered, however, and produced sufficient to meet the main requirements of the market.

There were no factories manufacturing or assembling automobiles and trucks. There was a government aeroplane factory repairing aeroplanes. As will be seen, there was really no heavy industry as such.

C. BUILDING MATERIALS

Under this heading, the production of cement was the most important. In addition, however, there was some production of bricks, tiles, lime, etc. The following figures cover production and value for 1938 and 1939:

Total Value of Building Materials Produced	
For 1938	509,619,000 Drs.
For 1939	516,860,000 "

	Product	Production	Value in Drs.
1938	Cement	308,000 Tons	301,840,000
	Bricks	135,000,000 Pcs.	54,000,000
	Roof Tiles	22,000,000 "	21,500,000
	Mosaic Tiles . . .	550 Sq.Meters	41,250,000
	Lime	157,000 Tons	88,200,000

	Product	Production	Value in Drs.
1939	Cement	308,000 Tons	301,840,000
	Bricks	135,000,000 Pcs.	54,000,000
	Roof Tiles	22,000,000 "	21,500,000
	Mosaic Tiles . . .	550 Sq.Meters	41,250,000
	Lime	157,000 Tons	88,200,000

In view of the importance of cement, the following table is given to show imports and exports of this item from 1931 to 1939 inclusive:

Year	Production		Imports		Exports	
	Tons	Value in Drs.	Tons	Value in Drs.	Tons	Value in Drs.
1931	195,000	136,500,000	42,550	28,914,000	-	-
1932	196,000	168,560,000	26,340	19,430,000	-	-
1933	200,000	192,000,000	6,320	6,880,000	16,104	14,048,000
1934	248,000	240,560,000	1,480	3,639,000	18,586	13,486,000
1935	273,000	267,550,000	1,360	3,288,000	6,750	4,680,000
1936	276,850	272,570,000	1,352	2,697,000	1,192	1,409,000
1937	290,000	284,258,000	1,436	3,312,000	117	149,000
1938	308,000	301,840,000	1,907	3,427,000	4	8,000
1939	342,930	334,940,000	839	2,100,000	8	16,000

Potteries. One large pottery company composes the pottery industry in Greece, the Ceramics Factory. Otherwise, the pottery produced is local, and hand-made.

D. SPINNING AND TEXTILES

The spinning and textile mills comprise the largest group among the various industries of Greece. Also, this spinning and textile industry is perhaps, with the exception of carpet weaving, one of the youngest in the country.

With reference to silk and cotton fabrics, the majority of the raw material is produced locally, although the production of cotton has become profitable only in recent years with the increase of prices for cotton in America. Wool, either in its raw state or as spun yarn, has been imported mainly from England and Australia. Greek wool is coarse and rough and can be used only for certain peasant clothing and some rough carpets. The manufacture of carpets has been subject to fluctuating market conditions, but in the last three or four years it appeared that the situation had become somewhat stabilized.

This matter of carpet making is a subject in itself, as it is a question whether it should be classified as an industry or as a handicraft, and whether the manufacture of carpets on a commercial basis can exist. Some of the most skilled craftsmen in oriental carpets came to Greece in 1922 as refugees, and brought with them this ancient art of rug making which had been handed down from generation to generation. There are still some refugee villages in Greece where hand looms are rented out to families, and a whole family will work on a carpet at odd moments, from the children on up to the grandparents.

Artificial silk is a comparatively new industry in Greece, beginning not earlier than 1925, with a constantly increasing production. At first the output was approximately 20 tons per year; in 1939 the production was 318 tons.

Included in the textile industry are the factories working on jute and hemp.

In view of the importance of the industry as a whole, more details are given below:

Total Production Value of The Spinning and Textile Industry

1938 3,669,102,450
1939 3,859,912,400

Product	1938		1939	
	Production	Value in Drs.	Production	Value in Drs
Cotton Yarn	15,750 Tons	1,032,412,000	16,200 Tons	1,097,874,000
Cotton Cloth	17,728,000 Meters	415,500,000	18,560,000 Meters	435,000,000
Woolen Yarn	837 Tons	155,800,000	920 Tons	165,400,000
Woolen Cloth	6,962,000 Meters	914,110,000	6,941,000 Meters	971,740,000
Carpets	69,400 Sq.Meters	69,400,000	69,200 Sq.Meters	79,580,000
Spun Silk	250 Tons	150,000,000	200 Tons	130,000,000
Silk Cloth	1,779,200 Meters	184,600,000	1,696,000 Meters	212,000,000
Artificial Silk	267 Tons	60,075,000	318 Tons	60,470,000
Ropes & Strings	2,500 Tons	95,000,000	2,500 "	95,000,000
Sacks	4,110,000 Pcs.	57,540,000	4,500,000 Pcs.	63,000,000
Sacking for Tobacco	1,362 Tons	53,104,000	1,402 Tons	53,977,000
Knit Goods		450,000,000		470,000,000

Cotton Yarn

Year	Production		Imports		Exports	
	Tons	Value in Drs.	Tons	Value in Drs.	Tons	Value in Drs.
1931 ...	10,080	358,400,000	202	11,011,000	463.	13,141,000
1932 ...	10,080	425,370,000	132	9,463,000	235	8,395,000
1933 ...	12,507	609,086,000	131	12,619,000	635	33,132,000
1934 ...	14,714	915,518,000	154	14,229,000	628	34,859,000
1935 ...	13,540	901,764,000	152	12,534,000	618	35,943,000
1936 ...	15,160	1,043,008,000	163	16,240,000	1,573	102,676,000
1937 ...	15,750	1,083,600,000	133	14,132,000	1,379	85,705,000
1938 ...	15,750	1,032,412,000	130	13,332,000	1,049	63,959,000
1939 ...	16,200	1,097,874,000	121	13,115,000	1,354	84,757,000

Cotton Cloth

Year	Production		Imports	
	Meters	Value in Drs.	Tons	Value in Drs.
1931 ...	23,608,000	240,500,000	4,981	520,819,000
1932 ...	23,680,000	308,550,000	3,021	357,524,000
1933 ...	26,000,000	390,000,000	3,014	450,191,000
1934 ...	29,000,000	493,000,000	3,269	483,700,000
1935 ...	27,000,000	418,500,000	4,150	573,833,000
1936 ...	27,000,000	418,500,000	4,474	635,687,000
1937 ...	28,600,000	443,300,000	3,635	610,312,000
1938 ...	27,700,000	415,500,000	3,458	582,463,000
1939 ...	29,000,000	435,000,000	3,000	486,830,000

Woolen Cloth

Year	Production		Imports	
	Meters	Value in Drs.	Tons	Value in Drs.
1931 ...	3,700,000	277,500,000	1,041	265,330,000
1932 ...	3,700,000	351,500,000	541	158,660,000
1933 ...	5,190,000	610,000,000	417	137,613,000
1934 ...	6,135,000	766,875,000	551	200,229,000
1935 ...	6,650,000	764,750,000	506	194,655,000
1936 ...	7,500,000	980,000,000	459	220,648,000
1937 ...	7,500,000	1,050,000,000	750	223,990,000
1938 ...	6,962,000	914,110,000	358	165,083,000
1939 ...	6,941,000	971,740,000	301	126,716,000

Silk Yarn

Year	Production		Exports	
	Tons	Value in Drs.	Kgs.	Value in Drs.
1931	200	110,000,000	35	16,000
1932	215	144,050,000	360	242,000
1933	215	144,050,000	260	187,000
1934	310	201,500,000	2,110	1,001,000
1935	260	208,000,000	1,260	541,000
1936	250	218,750,000	220	58,000
1937	242	235,950,000	3,170	935,000
1938	250	150,000,000	960	457,000
1939	200	130,000,000	34,820	20,874,000

Silk Cloth

Year	Production		Imports		Exports	
	Meters	Value in Drs.	Kgs.	Value in Drs.	Kgs.	Value in Drs
1931 ...	2,430,000	267,000,000	44,910	46,028,000	880	1,037,000
1932 ...	2,300,000	195,500,000	14,640	15,867,000	1,220	1,801,000
1933 ...	2,300,000	195,500,000	7,250	12,543,000	9,470	13,011,000
1934 ...	3,300,000	270,600,000	9,060	15,427,000	2,100	2,707,000
1935 ...	2,900,000	266,800,000	8,020	12,217,000	1,300	1,059,000
1936 ...	2,780,000	255,760,000	11,880	15,670,000	380	318,000
1937 ...	2,700,000	270,000,000	11,350	16,691,000	320	244,000
1938 ...	2,780,000	194,600,000	9,600	13,776,000	—	—
1939	2,650,000	212,000,000	10,910	15,049,000	—	—

Rope and Strings

Year	Production		Imports	
	Tons	Value in Drs.	Tons	Value in Drs.
1931	2,500	57,500,000	577	10,361,000
1932	1,800	39,600,000	349	5,811,000
1933	1,700	51,000,000	348	7,321,000
1934	1,900	60,000,000	464	8,510,000
1935	2,200	74,800,000	642	10,748,000
1936	2,400	90,000,000	609	11,263,000
1937	2,500	100,000,000	682	15,088,000
1938	2,500	95,000,000	703	14,405,000
1939	2,500	95,000,000	632	12,081,000

Artificial Silk

Year	Production	
	Tons	Value in Drs.
1931	45	10,000,000
1932	70	15,000,000
1933	74	17,000,000
1934	89	22,000,000
1935	90	22,000,000
1936	125	31,000,000
1937	187	41,600,000
1938	267	60,075,000
1939	318	60,475,000

Sacks

Year	Production		Imports	
	Pieces	Value in Drs.	Tons	Value in Drs.
1931	1,300,000	16,900,000	2,091	21,070,000
1932	1,600,000	21,280,000	1,519	16,624,000
1933	1,800,000	25,200,000	2,291	26,871,000
1934	2,000,000	29,000,000	2,939	36,357,000
1935	2,500,000	35,000,000	4,045	52,996,000
1936	2,300,000	29,900,000	3,350	41,441,000
1937	4,100,000	45,100,000	3,796	48,019,000
1938	4,110,000	57,540,000	4,161	48,184,000
1939	4,500,000	63,000,000	3,847	44,248,000

E. FOOD INDUSTRY

The total production value under this classification for the years 1938 and 1939 was as follows:

1938 . . . . 2,347,195,560 Drs.
1939 . . . . 2,518,950,330 "

The above figures do not include the value of wine, olive oil nor the value of the wheat or the finished products (flour and bran) produced by the flour mills. They do include the cost of milling.

The amount of food products manufactured in Greece and exported abroad for the years 1938 and 1939 was -

	Amount	Value
1938	1,002 Tons	40,209,410 Drs.
1939	825 "	40,484,250 "

Again, this does not include the value of wine and olive oil.

The imports of manufactured foodstuffs for 1938 and 1939 (exclusive of the value of flour) were -

	Amount	Value
1938	84,328 Tons	435,435,810 Drs.
1939	70,471 "	410,819,610 "

It should be noted that the main items of imported manufactured food products were sugar, condensed milk and potato flour. Duty on sugar, always high in Greece, has been a large item in the customs receipts; because of this the Government has not tolerated any experiments in sugar beet growing.

Average annual import of sugar was 70,000 tons.

Imports of other manufactured foodstuffs amounted only to:

9,699,290 Drs. in 1938 and
2,537,250 " in 1939

Taking the food industry as a whole the main products were as follows:

	1938		1939	
	Production	Value in Drs.	Production	Value in Drs.
Alcohol	17,032 Tons	340,635,000	17,032 Tons	360,229,000
Alcoholic Beverages	15,226 "	532,896,000	13,277 "	531,091,000
Ice	250,950 "	75,285,000	250,950 "	87,832,000
Beer	10,145 "	101,449,000	9,776 "	124,641,000
Cotton Seed Oil	2,500 "	71,250,000	2,500 "	72,000,000
Palm Seed Oil	960 "	23,120,000	820 "	28,700,000
Macaroni Products	21,000 "	252,000,000	21,640 "	259,680,000
Yeast	777 "	42,578,000	762 "	34,273,000
Canned Goods	5,400 "	86,400,000	5,150 "	79,825,000

In this instance the term "alcoholic beverages" does not include wine. It does however, include liqueurs and brandies, which latter item is one of the main items of export.

A fuller list of these beverages is shown below:

Alcoholic Beverages in General (brandies, liqueurs, etc.)

Year	Production		Imports		Exports	
	Tons	Value in Drs.	Kgs.	Value in Drs.	Kgs.	Value in Drs.
1931	12,097	381,046,000	38,290	2,683,000	383,770	15,381,000
1932	9,551	334,301,000	22,320	1,716,000	259,820	12,955,000
1933	9,546	334,093,000	15,510	1,783,000	341,720	18,771,000
1934	10,387	363,545,000	750	81,000	631,670	47,129,000
1935	7,951	278,294,000	1,320	169,000	481,900	28,901,000
1936	8,683	303,901,000	1,860	181,000	413,360	24,683,000
1937	14,743	516,020,000	2,590	252,000	703,450	49,869,000
1938	15,226	532,896,000	6,000	505,000	471,400	33,442,000
1939	13,277	531,091,000	1,890	205,000	418,730	35,407,000

The manufacture of ice has been constantly increasing; at the same time, in the larger cities, the breweries which manufacture ice have tried to put the other ice factories out of business.

Beer is controlled entirely by one family in Greece. This family originated in Bavaria and came to Greece with King Otto. They have either bought out or forced into bankruptcy anyone who competed with them. The quality of the beer is good. The following table gives the production, imports and exports for a nine year period:

Beer - Ale

Year	Production		Imports		Exports	
	Tons	Value in Drs.	Kgs.	Value in Drs.	Kgs.	Value in Drs.
1931	8,004	64,030,000	2,220	27,000	145,330	1,118,000
1932	6,587	65,870,000	690	11,000	26,810	233,000
1933	6,085	60,845,000	190	5,000	203,970	1,910,000
1934	7,698	76,980,000	--	--	205,600	1,780,000
1935	8,925	89,249,000	--	--	298,170	1,966,000
1936	9,754	97,536,000	--	--	301,210	2,310,000
1937	9,749	97,490,000	--	--	63,020	491,000
1938	10,145	101,449,000	--	--	54,670	479,000
1939	9,776	124,641,000	--	--	21,360	287,000

The manufacture of cotton seed oil, palm seed oil and other seed oils has flourished in Greece. The cotton seed used in recent years is entirely a local product, the importation of cotton seed being prohibited by law.

Sugar and starch products consist largely of caramels, chocolate, halvah, cakes and sweet crackers. The manufacture of these products has shown a marked increase from 1922 on. At that time the annual output was approximately 7,000 tons, as against 15,000 tons today. Some of the raw material exists in the country, such as sesame seed and honey. A large part is imported, however, including cocoa beans, sugar and flour.

Flour Milling. In the table giving the value of various divisions of the food industry, only the milling cost of wheat has been included and this was:

For 1938	504,028,200 Drs.
For 1939	625,047,500 "

It is calculated that in 1938 and 1939 the production of flour and bran, wine and olive oil was as follows:

	Flour and Bran		Value
1938	Flour	1,098,523 Tons	8,348,774,800 Drs.
	Bran	193,857 "	504,028,200 "
		1,292,380 Tons	8,852,803,000 "
1939	Flour	1,143,867 Tons	8,685,789,200 "
	Bran	201,683 "	524,375,800 "
		1,292,380 Tons	8,852,803,000 "

Wine

	Amount	Value
1938	463,557 Tons	2,549,563,000 Drs.
1939	385,460 "	2,120,030,000 "

Olive Oil

	Amount	Value
1938	102,805 Tons	2,233,306,011 Drs.
1939	140,000 "	---

As stated previously, flour, wine, and olive oil were not included in the table showing the food industry's production for 1938 and 1939.

Canned Goods

A series of canneries have come into existence since 1921. Canned tomatoes and tomato paste are the main items produced, and the center of this industry is in the Plain of Argolis.

F. CHEMICAL INDUSTRY

This is the second largest Greek industry. The main subdivisions, with production figures, are as follows:

Total Value of Chemical Production	
1938	2,949,237,910 Drs.
1939	3,123,878,720 Drs.

Product	1938		1939	
	Production	Value in Drs.	Production	Value in Drs.
Sulphur Oil	17,000 Tons	272,000,000	8,925 Tons	144,585,000
Soap	25,000 "	425,000,000	23,000 "	425,500,000
Fertilizers	95,223 "	359,233,000	124,019 "	477,318,000
Glass	-	185,886,000	- "	233,992,000
Pottery	1,183 "	34,123,000	1,095 "	27,883,000
Electric Bulbs	1,435,000 Pcs.	28,700,000	2,400,000 Pcs.	48,000,000
Dyes	338 Tons	62,622,000	397 Tons	85,028,000
Colophone	18,200 "	121,940,000	18,200 "	165,620,000
Turpentine	5,200 "	57,200,000	5,200 "	109,200,000
Explosives	1,723 "	59,804,000	1,583 "	64,093,000
Ammunition	-	395,500,000	-	322,052,000
Linseed Oil	1,600 "	41,800,000	1,250 "	32,500,000
Miscel. Chemicals	144,963 "	881,152,000	148,071 "	959,050,000

These figures have been taken from the Greek Government's statistics

Sulphur Oil. Sulphur oil is chemically extracted from olive pits after the olives have been pressed. Not finding the local supply of olive pits sufficient, Greek factories imported a considerable amount from Asia Minor. 9,289 tons of pits were imported in 1938; and in 1939, 5,573 tons.

Sulphur oil production for a nine year period was as follows:

Sulphur Oil

Year	Production		Exports	
	Tons	Value in Drs.	Tons	Value in Drs.
1931	10,200	81,600,000	2,457	18,852,000
1932	9,350	93,500,000	3,068	33,488,000
1933	11,900	154,700,000	4,952	57,491,000
1934	11,460	171,900,000	5,257	75,079,000
1935	12,000	182,400,000	7,783	110,966,000
1936	9,600	192,000,000	2,203	40,206,000
1937	8,500	221,000,000	2,207	51,872,000
1938	17,000	272,000,000	2,246	34,034,000
1939	8,925	144,585,000	5,992	86,689,000

Soap. Greece has been entirely self-sufficient in soap-manufacture. The soap industry used a large quantity of the dregs of olive oil. However, the caustic soda which they used was largely imported. Production of soap, showing imports and exports from 1931 to 1939, was as follows:

Year	Production		Imports		Exports	
	Tons	Value in Drs.	Tons	Value in Drs.	Tons	Value in Drs.
1931	25,000	225,000,000	170	3,769,000	1,157	11,052,000
1932	22,500	247,500,000	81	1,970,000	804	9,272,000
1933	25,000	350,000,000	56	1,253,000	742	10,115,000
1934	25,000	362,500,000	40	1,708,000	642	9,281,000
1935	25,000	387,500,000	29	1,457,000	478	7,333,000
1936	25,000	475,000,000	45	1,582,000	177	3,029,000
1937	22,500	540,000,000	36	1,602,000	55	1,288,000
1938	25,000	425,000,000	36	1,202,000	129	2,643,000
1939	23,000	425,500,000	28	1,170,000	60	1,110,000

The quality of the soap produced in Greece is considered exceedingly good.

Fertilizer. The main fertilizer factory is one of the largest factories in Greece, if not in the Eastern Mediterranean. It manufactures superphosphates of various densities - 0-16-0, 0-17-0, 0-40/42-0 - and synthetic fertilizers. It also has a large glass manufacturing division and makes various acids. Fertilizer production figures for 1931-39 are as follows:

Year	Production		Imports		Exports	
	Tons	Value in Drs.	Tons	Value in Drs.	Tons	Value in Drs.
1931	48,718	74,590,000	8,337	23,648,000	14,231	16,640,000
1932	39,799	70,625,000	2,335	10,310,000	17,706	19,149,000
1933	38,364	97,875,000	9,039	29,828,000	16,187	18,077,000
1934	55,993	123,495,000	12,956	40,000,000	24,397	32,697,000
1935	77,074	162,574,000	11,096	42,999,000	10,820	19,427,000
1936	82,400	235,380,000	22,138	50,085,000	22,888	29,472,000
1937	75,310	300,420,000	11,260	51,812,000	24,307	43,515,000
1938	95,223	359,233,000	11,656	49,526,000	18,949	33,358,000
1939	124,019	477,358,000	8,745	38,345,000	21,446	41,964,000

Electric Bulbs. The electric bulb factory is a subsidiary of a German concern.

Colophone and Turpentine are very closely connected with agriculture. The following tables cover production and exportation of these two items for the years 1931-39:

Colophone

Year	Production		Exports	
	Tons	Value in Drs.	Tons	Value in Drs.
1931	7,300	16,060,000	6,482	17,472,000
1932	8,270	33,080,000	8,427	31,267,000
1933	10,650	53,250,000	10,238	51,148,000
1934	12,700	54,610,000	14,956	70,721,000
1935	14,140	76,356,000	15,408	86,104,000
1936	16,000	99,200,000	14,259	91,186,000
1937	18,800	141,000,000	21,471	178,952,000
1938	18,200	121,940,000	19,951	150,090,000
1939	18,200	165,620,000	21,285	194,104,000

Turpentine

Year	Production		Exports	
	Tons	Value in Drs.	Tons	Value in Drs.
1931	1,920	17,280,000	1,605	12,910,000
1932	2,080	41,600,000	2,073	25,458,000
1933	2,680	40,200,000	2,300	38,938,000
1934	3,130	45,385,000	3,800	51,842,000
1935	3,550	60,350,000	3,951	61,445,000
1936	4,610	71,455,000	2,475	40,428,000
1937	5,410	64,920,000	5,251	74,105,000
1938	5,200	57,200,000	4,775	52,099,000
1939	5,200	109,200,000	4,557	94,512,000

Miscellaneous Chemical Products include acids of various kinds, oxygen, glue, tanning extracts, absorbent cotton, paraffine and rubber articles.

A certain percent of the chemical products produced are exported. Other chemical products used are imported; for instance, fertilizers, pharmaceutical articles, etc. The following list gives statistics:

Year	Imports		Exports	
	Tons	Value in Drs.	Tons	Value in Drs.
1938	94,479	1,055,455,000	53,135	357,677,406
1939	78,738	953,000,100	60,044	504,679,440

G. LEATHER INDUSTRY

This entire industry has for years been showing a constant reduction which is rather difficult to explain. The industry consists principally of tanneries producing sole leather and uppers. It is calculated that in 1938, 5,664 tons of hides were imported, valued at 231,140,000 Drs. while in 1939 the import figure was 4,315 tons of hides at a value of 161,742,500 Drs. The table given below shows the production figures for this industry during 1938-39.

Total Production Value of Leather Industry

1938	1,020,250,000 Drs.
1939	927,600,000 "

Product	1938		1939	
	Production	Value in Drs.	Production	Value in Drs.
Sole Leather	5,800 Tons	464,000,000	5,220 Tons	417,600,000
Leather for Uppers	2,250 "	506,250,000	2,050 "	461,250,000
Machine-Made Shoes	-	30,000,000	-	30,000,000

It will be noted above that shoe production is comparatively small. This is due to the fact that most of the shoes worn in Greece are handmade.

The production of uppers in the nine year period from 1931 to 1939 inclusive was as follows:

Year	Production		Imports	
	Tons	Value in Drs.	Tons	Value in Drs.
1931	2,000	130,000,000	260	79,982,000
1932	2,600	208,000,000	114	48,818,000
1933	2,600	390,000,000	97	50,548,000
1934	2,800	420,000,000	128	63,600,000
1935	2,350	400,200,000	137	61,970,000
1936	2,550	510,000,000	125	66,812,000
1937	2,250	561,000,000	96	57,850,000
1938	2,250	506,250,000	95	58,271,000
1939	2,050	461,250,000	84	51,293,000

H. PAPER INDUSTRY

The total production of this industry for 1938-39 is valued as follows:

1938	433,128,000 Drs.
1939	498,584,000 "

This is subdivided as follows:

Product	1938		1939	
	Production	Value in Drs.	Production	Value in Drs.
Paper & Cardboard	20,999 Tons	306,662,000	24,390 Tons	373,200,000
Paper Boxes	-	120,000,000	-	120,000,000

The production value and imports of paper and cardboard from 1931 to 1939 inclusive were as follows:

Year	Production		Imports	
	Tons	Value in Drs.	Tons	Value in Drs.
1931	12,395	122,215,000	17,887	132,860,000
1932	12,110	139,060,000	15,711	120,741,000
1933	13,575	203,625,000	14,099	121,819,000
1934	19,830	270,000,000	15,105	112,383,000
1935	18,576	255,000,000	18,022	117,052,000
1936	19,454	275,205,000	16,835	115,657,000
1937	22,680	348,138,000	9,898	99,355,000
1938	20,999	306,662,000	14,087	138,930,000
1939	24,390	373,200,000	14,936	131,835,000

The two most important paper mills are located near Patras; one at Aegion. The pulp for this industry was imported mainly from Germany.

I. CLOTHING

This consists entirely of the manufacture of hats and felt forms.

Production for the 1938-39 period was as follows:

Total Production Value

For 1938	40,018,000 Drs.
For 1939	37,500,000 "

	1938		1939	
	Production	Value in Drs.	Production	Value in Drs.
Hats in General	270,000 Pcs.	29,600,000	260,000 Pcs.	27,060,000
Felt Forms	144,700 "	10,418,000	145,000 "	10,440,000

This reduction can be explained, for it is a fact that fewer hats are being worn by both men and women, particularly men.

J. TOBACCO INDUSTRY

During the years 1937, '38 and '39 the following quantities of tobacco were supplied to the cigarette factories:

1937	5,292 Tons
1938	5,769 "
1939	5,885 "

The total value of cigars and cigarettes produced in 1938-39 was:

1938	229,770,000 Drs.
1939	234,382,000 "

Separate figures for these two products are:

	1938		1939	
	Production	Value in Drs.	Production	Value in Drs.
Cigarettes	5,721 Tons	228,849,000	5,839 Tons	233,575,000
Cigars	9,162 Kgs.	916,000	8,065 Kgs	806,000

For the period from 1931 to 1939 inclusive, cigarette production, imports and exports were as follows:

Year	Production		Imports		Exports	
	Tons	Value in Drs.	Kgs.	Value in Drs.	Kgs.	Value in Drs.
1931	4,524	180,978,000	1,670	520,000	52,560	6,143,000
1932	4,246	169,843,000	1,100	343,000	66,340	10,137,000
1933	4,534	181,312,000	690	275,000	105,800	16,751,000
1934	4,775	190,987,000	640	221,000	95,000	17,238,000
1935	5,000	200,000,000	700	803,000	87,810	16,048,000
1936	5,203	208,120,000	1,400	483,000	90,100	15,499,000
1937	5,249	209,982,000	740	216,000	94,090	16,428,000
1938	5,721	228,849,000	1,390	518,000	85,820	12,700,000
1939	5,839	233,575,000	2,200	686,000	91,440	13,344,000

It should be noted that the figures given for the value of tobacco cover only the exact cost of the tobacco and do not include the cost of boxes or the consumers' tax. The value is figured at 40 Drs. per Kg. When it is considered that the consumers' tax in 1936 and 1937 amounted to approximately 1,750,000,000 Drs, it will be realized how enormous the tax is.

K. WOODWORKING INDUSTRY

Total production value of the woodworking industry in Greece:

1938	515,000,000 Drs.
1939	472,000,000 "

The imports of articles made of wood for 1938-39 were:

	Amount	Value
1938	425 Tons	2,609,000 Drs.
1939	44 "	774,000 "

L. ELECTRIC POWER

The total amount of electric power produced for 1938-39 was calculated to be:

	Amount	Value
1938	230,000,000 KWTS	1,150,000,000 Drs.
1939	260,000,000 "	1,300,000,000 "

It is estimated that two-thirds of the total electricity production in Greece was supplied by the Electric Light Co. of Athens and Piraeus. Also, the consumption of electricity in Greece in recent years has increased at the rate of approximately 10 per cent. Taking the production figure for 1931 -

115,000,000 KWTS -

it is calculated that in 1932 the production was 120,000,000 KWTS
" 1933 125,000,000 "
" 1934 140,000,000 "
" 1935 150,000,000 "
" 1936 170,000,000 "
" 1937 200,000,000 "
" 1938 230,000,000 "
" 1939 260,000,000 "

Production figures of the Electric Light Company of Athens and Piraeus, for the years 1938 and 1939, are as follows:

	1938	1939
Total Produced Energy (KWTS)	205,216,300	233,586,500
Consumption for Lighting:		
Private	34,743,207	40,408,262
Street Lights	3,243,828	3,104,919
Municipal Buildings	2,888,765	2,875,848
Consumption for Power:		
Street Cars	22,410,653	23,081,838
Railroads	5,455,817	5,412,652
Small Industries	15,166,518	16,010,015
Heavy Industries	82,931,567	97,454,224
Consumption by the company itself (Electric Light Co. of Athens and Piraeus)	11,516,411	14,366,437
Total	178,356,766	202,714,195

Consumption of electricity in various towns of Greece for the year 1938

(This list includes only those towns using over 1,000,000 KWTS)

Saloniki	10,700,000 KWTS
Patras	8,780,000 "
Verria Gianika	1,141,000 "
Kavalla	1,125,000 "
Corfu	2,700,000 "
Volo	2,162,000 "
Larissa	1,708,000 "
Mytilene	1,172,000 "
Kalamata	1,029,000 "
Canea	1,250,000 "
Argos-Nauplia	1,099,000 "

GREEK INDUSTRIES CLASSIFIED BY IMPORTANCE

A list of the main industries in Greece at the end of 1939 has been given, but is only an incomplete picture, and fails to give their relative importance.

ARMS AND MUNITIONS

The largest industry at the end of 1939 was undoubtedly the Gun Powder and Arms Factory of Greece. This company had gone through various vicissitudes, but had a monopoly for the manufacture of gun powder, and became the main manufacturer of cartridges. Through the vision of one man who had gained control, it blossomed into an enormous concern. The Greek Government statistics give no figures as to the production of arms and munitions. A short description of the various arms and munition factories owned by this company follows:

Greek Powder & Cartridge Company:

1. Ymettos Factory. This factory is about two and a half miles from the center of Athens, and was equipped for the production of:

   a) Cartridges, for rifles and machine guns of the following calibres: 6.5 mm, 7 mm, 7.7 mm, 7.92 mm, 8 mm, with a daily production of one million cartridges.
   b) Cartridges for heavy machine guns of 13.2 mm calibre, with a daily production of sixty thousand cartridges.
   c) Cartridges for pistols of all calibres, with a daily production of 120,000 cartridges.
   d) Cartridges for hunting rifles of all calibres, with a daily production of 100,000 cartridges.
   e) Caps for all the above cartridges, with a production of 300,000 caps in excess of those required for all the above mentioned cartridge production.
   f) Artillery shells of the following calibres:
      75 mm, daily production . . . 2000 shells
      105 mm, daily production . . . 1000 shells
      155 mm, daily production . . . 600 shells
      78 mm or
      85 mm, daily production . . . 500 shells
   g) Mortar shells (Brandt) of 81 mm calibre, with a daily production of 2500 shells.

1. Ymettos Factory (continued)

h) Aeroplane bombs (USA type)

30 lbs., daily production . . .	1000 bombs
100 lbs., daily production . . .	400 bombs
300 lbs., daily production . . .	150 bombs
500 lbs., daily production . . .	50 bombs

i) This same factory produced as well all the necessary detonators, also all other parts required, for the completed cartridge, shell or bomb, including all cartridge and shell casings; it could also turn out an adequate excess.

j) Hand-grenades, of both the defensive and offensive type, with a daily production of 5000 defensive type hand-grenades and 20,000 offensive type hand-grenades.

k) Anti-tank mines, with a daily production of 1500 mines.

l) There was also a complete and absolutely modern foundry.

m) Machine Shop, the largest in the Near East, equipped with the latest equipment and manufacturing all the tools required for all sections of the above Ymettos Factory as well as for all sections of all other factories. Also gauges and calibres, lathes, crane bridges up to 25 tons, pumps, rifle breeches, rifle barrels, boilers, spare parts for all kinds of machinery including automobile parts, two and four stroke diesel motors up to 25 horsepower, spinning machinery, precision machinery for the construction of cartridges, also filling and controlling machinery.

n) Complete Carpenters' Shop which makes all the packing cases for the above-mentioned ammunition.

The Ymettos Factory produced all the necessary electric current for all its activities, using diesel engines; also, as an alternative reserve power it could utilize the electric supply of the city of Athens.

This factory employed 7500 workmen in three shifts. It had its own testing grounds for cartridge tests up to 1000 feet.

The above production is based on a 24-hour output worked on three shifts.

2. Daphne Factory. This factory is about six miles from the center of Athens and produced:

a) Cartridge powder, daily production 3½ tons.

b) Shell powder, daily production 4½ tons.

c) Mortar powder, daily production 500 lbs.

d) Powder for anti-aircraft guns of 20 mm, 37 mm, 40 mm, 88 mm, daily production 3000 lbs.

e) Powder for hunting rifle cartridges, daily production 2500 lbs.

2. Daphne Factory (continued)

   f) Small shot for game hunting, daily production 3000 lbs.
   g) Explosives of various kinds used for blasing purposes in mines, etc., daily production 3 tons.
   h) Fuses and dynamite caps for all purposes.

This factory also produced all the electric current it required and could also utilize, if necessary, the Athens electric supply.

It employed 1800 workmen in three shifts.

3. Eleusis Factories. These factories are situated fifteen miles from the center of Athens in the Gulf of Eleusis, and consist of:

   a) Eleusis anti-aircraft shell factory. This factory produces complete shells, i.e. projectiles, casings, detonators, etc. It has a daily production capacity of:
      6000 shells in the 20 mm calibre
      4000 shells in the 37 mm calibre
      3000 shells in the 40 mm calibre
      800 shells in the 88 mm calibre
   This factory also produced all the electric current it required. It employed 2400 workmen in three shifts.
   b) Loading Factory. This factory has complete installations for loading all artillery and anti-aircraft shells, mortar shells, and aeroplane bombs. It is equipped with semi-underground storage installations for storing big quantities of all kinds of ammunition and is equipped with all the most up-to-date safety methods.

4. Gas Mask Factory: situated on the Sigros Boulevard, two miles from the center of Athens and equipped with the necessary plant for a daily production of 40,000 gas masks. It derives its current from the Athens electric supply. It employs 240 workmen in three shifts.

The company also owned a shipbuilding yard at Piraeus. It had two ways for ships up to 4,000 tons, a machine shop foundry, and a shop for boiler-making equipment. The company produced its own electric equipment and employed seven or eight hundred workers.

The owner of these factories, who is now in America, estimates that the raw material and some finished products on hand when the Germans occupied

Athens had a total value of about $30,000,000. The factories supplied the Greek army with its full requirements during the war with Italy, and had, under contract, supplied Republican Spain, Turkey, and Rumania. In 1940 they signed a contract to supply the British Army with rifle cartridges and shells.

It is interesting to note, that some of the machinery in the shell factory was sold on a percentage basis by German manufacturers, the Rhine Metal Fabrics. At the time of occupation, the Greek factory held what was, for Greece, an enormous amount of raw materials such as steel, TNT, etc. While no figures are on hand, it was rumored that the indebtedness of this firm to the National Bank of Greece, and to the Central Bank, was approximately ten million dollars. Had the war lasted, and had Greece remained independent, there is every reason to believe that the company would have paid its entire indebtedness to these banks.

WINES AND SPIRITS

Next in importance to this company is probably the Wine and Spirits Company, an old established firm with factories dotted all over the country, dating back to the beginning of the century, which was originally part of the group of industries mentioned in the beginning of this chapter.

From a financial point of view, the standing of this company was excellent. Part of the shares had been owned in France. These shares were recently sold to the same man who gained control of the gunpowder factory. Prior to the occupation, this man had discharged the president, who had been in charge for years, and there is no way of knowing whether the company would have done better, for the war intervened. The whole wine industry has prospered in Greece. For a long time, France took most of the wine and mixed it with her own, making the so-called "coupage." In recent years, the exports to France have been greatly reduced, and the largest purchaser of Greek wines has been Germany.

In addition to wine, this company manufactured alcohol. There were other alcohol manufacturers, and agreements had been reached as to percentage of alcohol to be manufactured and percentage of wine to be exported by each company. For years, alcohol was manufactured from molasses, but, because of the necessity of using some of the surplus currant crops, alcohol was also manufactured from currants, or from the residue of grapes after the juice had been extracted. The question of manufactured alcohol was a very controversial one in Greece, for many reasons. The government had authorized numerous stills in various parts of the country; these stills used the residue of grapes in the manufacture of alcohol, and then, at a government price turned the alcohol in to the larger wine companies for further processing.*

Besides the Wine and Spirits Company, there were several other wineries, of which two were of considerable importance.

It can be said, as a general principle, that the wine and spirits companies will continue to exist in Greece and should flourish.

CHEMICAL PRODUCTS AND FERTILIZER

There is one large factory, and a number of small ones. Most of the small ones simply mix ingredients imported from abroad. The large factory referred to above was the main factory founded by Nikolas Kanelopoulos, whose life was devoted to working on and developing this factory. Besides producing chemical fertilizers, it had a large glass foundry, and in recent years had manufactured most of the window glass used in Greece. The factory owns several iron pyrites mines, and exports a good part of this output.

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* This company had also built a factory for the manufacture of sulphide of carbon, used in extracting sulphur oil from olive kernels..

This factory has played an important part in the agricultural life of the country. It has sent a number of agricultural statisticians throughout Greece, and has done considerable research on soils and crops. Its fertilizers and, as a matter of fact, its trademark of the crowing cock, are known all over the country, and it has obtained considerable government support. The Bank of Agriculture, at one time, would accept for discount only paper covering this factory's sales of fertilizers, which gave rise to some criticism by other manufacturers and importers of American fertilizers. It has been reported that this factory, which was said to be working on the manufacture of chemicals for the German authorities, had been seriously damaged, if not entirely destroyed, by Allied bombing.

It should be said of this factory, that it not only supplied the bulk of the fertilizers used in the country, but also exported some. Figures on fertilizers manufactured and exported are given earlier in this chapter, as well as figures on fertilizers imported. The factory had a bonded indebtedness to German firms. It had, in addition, a bonded indebtedness in London, guaranteed by the National Bank of Greece and the Greek Government. This latter bond issue was also, we understand, covered by its exports of iron pyrites.

Other fertilizer factories in Greece manufactured special kinds of fertilizers, such as fertilizers from animal and fish bones. Still others simply mixed ingredients imported from abroad.

CEMENT FACTORIES

Next in importance are the cement factories. There are at least four important companies, and a number of smaller ones. All have been successful. (See production figures listed earlier in these pages.)

Most of the cement factories have worked with coal, which is imported from abroad. Of course, stone is plentiful in Greece, and in some cases some of the factories have mixed a certain percentage of Santorin earth (that is, volcanic earth from the island of Santorin) with the cement. These cement factories will surely continue to work, have a reason to exist, and should flourish, especially after some reconstruction has followed liberation.

TEXTILES

This group of industries, while of more recent origin than many, has produced more in value than any other group of industries in Greece. The group consists of cotton piece-goods factories, manufacturing so-called "three yard sheeting" or unbleached muslin, known in Greece as "American cloth" or "Cabot" (trademark of Minot & Hooper); cotton flannels; printed material; other cotton piece goods, and a large quantity of worsted goods. It includes factories with blanket looms; also silk factories, as well as spinning mills. Some factories had the spinning mills and the weaving mills side by side. Others bought cotton thread from the spinning mills. The majority of the wool factories imported the wool yarn from abroad, at first from England, later from Australia.

These factories have had a somewhat checkered career. They are not as old as the factories referred to in previous categories, and the big boom in industry occurred after 1922. On the whole it is a good, prosperous business. Many of the factories were very heavily indebted, and at least one group was controlled and managed by the National Bank in Greece, after having gone through various changes of fortune.

FOOD MANUFACTURING FACTORIES

These can be divided into four categories: the wine and spirits industries, the beer industry, covered above, the olive oil industry, and the flour mills, with the various factories manufacturing farinaceous products, chocolate, sweets, crackers, etc.

PAPER INDUSTRY

This industry has been flourishing, and is important.

TOBACCO WORKING consists mainly of two large groups, the older the "Karavassili" group originating from Pyrgos, and the newer the Papastratos Brothers, both wealthy and prosperous, controlling the larger part of the cigarette industry.

MOTIVE POWER

For many years the motive power in Greek industries was of a rather primitive nature. During the past 30 years, however, the situation changed considerably. Power plants were installed in all the larger factories. At first these were generally English installations but in later years mostly German, the machinery being manufactured mainly by the firm of Lin, Hoffman and Deutsch. After the construction of the new power plant in Athens, many factories obtained their power from this latter source.

At one time the factories with their own power plants used mostly coal, but fuel oil has been mainly used in recent years.

LOCATION OF INDUSTRIES

With the exception of flour mills and olive presses (which are usually located at the ports of debarkation and in the centers of production), most of the Greek industries are located in the following districts:

Athens - Piraeus - Eleusis: Here are to be found the largest flour mills, a large portion of the textile industry, the fertilizer and chemical factories, two of the largest cement factories, most of the machine industry, the potteries, a majority of the factories in the food industry, the body or carriage builders, the furniture and wood-working factories, repair shops, oil crushers and refineries, the larger tile and brick factories, soap factories, distilleries, arms and munition factories, the largest cigarette factories, etc.

Saloniki - Verria - Naousa: This is the second largest industrial section. Here are located a number of important textile mills, wheat mills, brick and tile factories, tanneries, cigarette factories, etc.

Volo: This is also a large center for industry, including a large woolen mill, a cement factory, and manufacturers of farm implements and wheat mills.

Chalkis: Center of a large cement factory; certain small soap factories are also here.

Patras: This is the most important port for exporting currants. It has, as well, together with Aegion, the two largest paper mills in Greece, also distilleries, wineries and oil refineries and knitting mills.

Nauplia - Argos: Canning industry.

Syra: Here are located a number of tanneries, a shipyard, and several small textile mills.

Samos - Mytilene - Chios: Here also there are tanneries, wineries and oil refineries - and in addition some fruit-packing houses.

Corfu: One of the largest oil refineries is located in Corfu. There is also the oldest paper factory and a number of smaller factories for soap and butter.

Candia, Crete: Several oil refineries are to be found here.

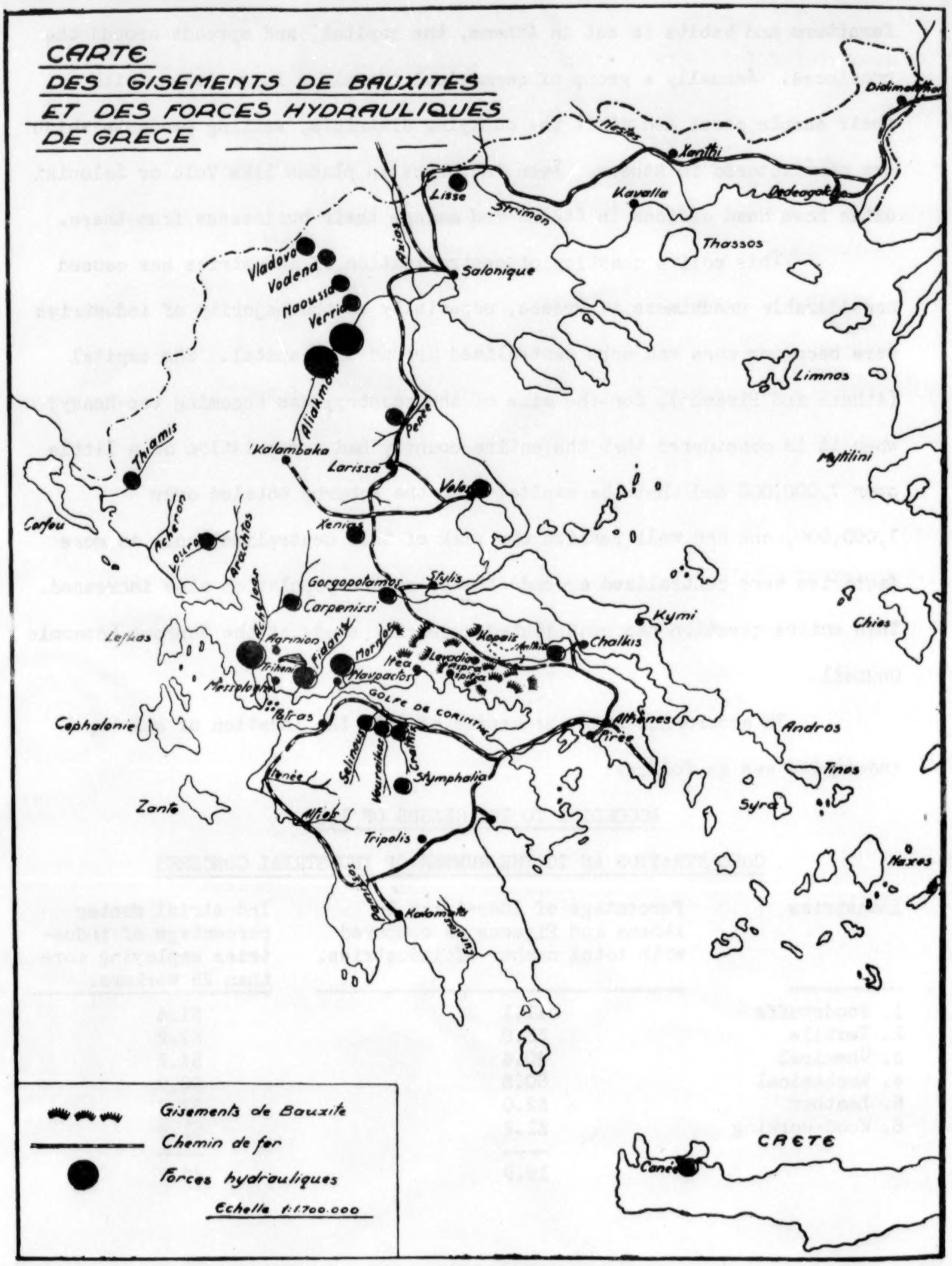
It should be noted that by far the largest number of industries are located near Athens and Piraeus. It seems to be cheaper to ship the local raw materials and foodstuffs to the large towns than to manufacture them at the source of supply. Repeated efforts have been made to start ginning mills and cotton seed presses in the cotton-producing sections. However, it has been found more economical to do this near the large towns, especially Athens.

This is partly due to the high municipal, community, road, and port taxes prevailing in various sections of Greece. At Candia, for example, after years of complaints, arrangements were finally made to construct a port - or rather, to enlarge the existing port. When this was done, the port charges became so heavy that it was found cheaper to unload merchandise on the beaches or at Souda Bay and transport it to Candia than to use the port facilities.

Again, transportation by road, ship, and railroad had been poor and expensive. The industries have also concentrated around Athens and Piraeus because of the abundant supply of electric power in recent years from the Athens and Piraeus Electric Company. As to Saloniki, Verria, and Naousa, particularly the latter two, the success of industry has been mainly due to the existing water power. See Map I.

It is perhaps natural that industries should gravitate to the sections which are the main market for manufactured goods. Labor was also easily obtainable in these populous centers. Then, too, the fashion for clothes,

MAP I


CARTE
DES GISEMENTS DE BAUXITES
ET DES FORCES HYDRAULIQUES
DE GRECE
Didimoteichon
Nestos
Xanthi
Lisse
Kavalla
Dedeagatch
Strimon
Thassos
Vladovo
Vodena
Naoussa
Verria
Salonique
Axios
Aliakmon
Limnos
Penée
Kalambaka
Larissa
Thiamis
Volo
Mytilini
Corfou
Acheron
Louros
Arachtos
Xenias
Gorgopotamos
Stylis
Carpenissi
Acheloos
Kymi
Chios
Lefkas
Agrinion
Trihonis
Fidaris
Mornos
Itea
Navpactos
Levadia
Kopais
Chalkis
Messolonghi
GOLFE DE CORINTHE
Patras
Athènes
Pirée
Andros
Cephalonie
Selinous
Vouraikos
Stymphalia
Tinos
Zante
Penée
Syra
Alfios
Tripolis
Naxos
Pamisos
Kalamata
Eurotas
CRETE
Canée
Gisements de Bauxite
Chemin de fer
Forces hydrauliques
Echelle 1:1.700.000

furniture and habits is set in Athens, the capital, and spreads around the provinces. Annually a group of commerical travelers leave Athens with their sample cases and visit the outlying districts, selling products which are manufactured in Athens. Even factories in places like Volo or Saloniki often have head offices in Athens and manage their businesses from there.

This entire question of centralization of industries has caused considerable uneasiness in Greece, especially as the majority of industries were becoming more and more centralized around the capital. The capital (Athens and Piraeus), for the size of the country, was becoming top-heavy; when it is considered that the entire country had a population of a little over 7,000,000 and that the capital with the suburbs totaled over 1,000,000, one can well realize the risk of this centralization. As more factories were centralized around Athens, so the population also increased. This entire question has constituted a special study of the Supreme Economic Council.

In accordance with the census of 1930 the location of six key industries was as follows:

ACCORDING TO THE CENSUS OF 1930

CONCENTRATION AS TO THE NUMBER OF INDUSTRIAL CONCERNS

Industries	Percentage of Industries in Athens and Piraeus as compared with total number of industries.	Industrial center percentage of industries employing more than 25 workers.
1. Foodstuffs	11.1	31.4
2. Textile	33.8	39.2
3. Chemical	40.4	54.2
4. Mechanical	50.8	62.7
5. Leather	32.0	52.7
6. Wood-working	31.2	51.9
	19.9	42.7

AS TO POWER - (H. P.)

Industries	Total	Center	Percentage of center in comparison to the total
1. Foodstuffs	71,891	12,625	17.6
2. Textile	27,539	13,906	50.5
3. Chemical	13,633	10,969	83.9
4. Mechanical	12,197	4,777	39.2
5. Leather	4,294	943	22.0
6. Wood	7,359	3,231	43.8
	136,913	46,451	34.0

AS TO POWER
(FOR INDUSTRIES EMPLOYING MORE THAN 25 PERSONS)

Industries	Percentage of center concentration
1. Foodstuffs	44.8
2. Textile	42.0
3. Chemical	91.3
4. Mechanical	32.4
5. Leather	22.3
6. Wood	61.8
	48.7

(So - ½ of big industries concentrated in Athens and Piraeus)

AS TO INDUSTRIAL WORKERS

Industries	Percentage of the centers in comparison to the total
1. Foodstuffs	27.5
2. Textile	43.1
3. Chemicals	73.5
4. Mechanical	47.8
5. Leather	29.6
6. Wood	41.9
	38.5

During the period 1931-1939 the location was as follows:

PERIOD 1931-1939
only

This period is examined from the point of view of the number of industries and power (it does not include industrial workers because of lack of information).

(1) Number of industries built in the center and rest of Greece for the period 1931 - 1939.

	Center	Rest of the Country
1931	48	153
1932	44	106
1933	57	178
1934	114	236
1935	93	132
1936	87	224
1937	154	298
1938	142	435
1939	170	589
	909	2,351
	or 27.9%	or 72.1%

(2) Per Industries

	Center	(Percentages)	Provinces
Chemical	59.4		40.6
Mechanical	64.0		36.0
Textile	43.5		56.5
Tanneries	37.3		62.7
Wood Working	29.8		70.2
Foodstuffs	10.2		89.8

The study of the Supreme Economic Council confirms the points given by us above. They did, however, recommend the following remedies:

1. Change of the municipal taxation.
2. Change of the specific taxation for water transportation.
3. Co-ordination of the transportation policy of the country.
4. Creation of new industrial schools.

LABOR

It is extremely interesting to note how the labor question has been handled in recent years. There has always been a tendency in Greece, especially in labor matters, to go to extremes. Because of the impossibility of increasing taxes, the public has been forced to bear the expense of items that in other countries would be provided for in the regular government budget.

New social theories have been repeatedly studied and often adopted by successive governments, with interest, curiosity, and zeal. In recent years the labor policy has been an amalgamation of socialist, fascist, and other theories. To explain these statements, the following examples are given:

After the wars from 1912 and 1922, the government was faced with serious political problems arising from the demands of the reservists. Nothing was done to pay these reservists out of government funds, but laws were passed under which all business had to absorb them, regardless of their qualifications or willingness to work. It was ruled that all employers had to have on their payrolls at least one reservist for every five employees. Salaries were fixed and it was practically impossible to discharge the reservists for any reason. Even an employer went bankrupt, the reservists had practically first claim on any assets. Again, when boatmen (who transferred passengers from ships, anchored out in the bay, to the port) were deprived of their livelihood by the introduction of facilities which enabled the ships to dock, all people landing in Greece had to pay a tax to finance the indemnities paid to the boatmen. This tax was still being paid in 1941. These sums helped the boatmen to get started in other occupations. Also, when carriages were replaced by taxis the carriage-drivers were financed by another direct tax on business. These drivers were supplied with taxicabs at no cost and taught to drive them.

These are examples of the methods used to finance special classes in Greece who, through no direct fault of their own, lost their means of livelihood.

LABOR AND WAGE PROBLEMS

It is extremely interesting to note how labor was gradually trained with the growth of Greek industry. It is also extraordinary how a country that is principally agricultural obtained a large number of very expert laborers and foremen in very specialized trades. What undoubtedly helped the situation considerably was the large influx of refugees from Asia Minor to Greece in 1922 and 1923.

When these refugees first came to Greece they lived in churches, market places, schools and even in the streets, but gradually were absorbed into the community. A feeling of insecurity, however, (the result of their sufferings and homeless wandering) brought about a situation where the majority wanted to live in Athens, Piraeus, and the larger cities. Even those who had lived on farms for years did not want to return to the land. Refugee settlements were built on the outskirts of Athens, Piraeus, Salonika, Patras and other large cities, and it was from these settlements that the factories drew their labor - not only men, but women as well.

This latter development in itself was a revolutionary departure from the patriarchal habits of the Greek people. Although for years the young women from the islands had come to the large towns to do domestic work, the womenfolk on the mainland were not employed except in agriculture on their own land and in weaving and making their own clothes. A large number of these refugee women have become skilled laborers in the textile mills, potteries and other industries. Labor was plentiful. All this greatly changed the methods of living. The women who worked in the factories, as their earning power increased, wanted silk stockings, hats, cosmetics, moving pictures, etc.; they became more broadminded and they were gaining an equality with the men. The result of this was a gradual rise in the standard of living.

The training of expert workmen was accomplished partly by importing foreign foremen, most of them German, for the knitting trades, chemical trades, potteries, and mines, and some Englishmen for the textile trade (specifically the woolen), and one or two Americans as experts in foundry work, and also for pasteurizing milk.

Labor laws have always been liberal in Greece and there were special porvisions covering leave of absence, discharging of employees, continuance of employees' wages when sick, indemnities, accident insurance, etc. Wages, it is true, were always low.

From 1936 on, under the dictatorship, a special effort was made to look after labor. While the regime went into power under the pretext that it was necessary to take stringent steps to fight communism (which, incidentally, never has gained a real foothold in Greece) and while no strikes of any kind were permitted, every effort was made to meet the demands of labor, from clerks to manual laborers. A series of joint agreements were signed with the different classes of labor (bank employees, office workers, clerks, salespeople, factory workers, etc.)

These joint agreements, which were forced on the employers, undoubtedly did some good. They contained provisions for minimum wages and maximum hours and were very carefully enforced. They were enforced not only by the employees themselves but also by careful inspections made by Ministry of Labor inspectors, who went so far as to fine employers if their employees stayed on the premises after hours.

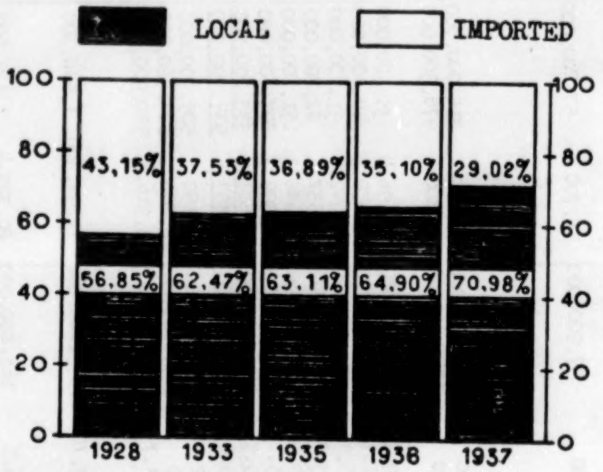
When business was poor and employers wished to reduce their staff, this was prohibited; instead, the Ministry of Labor insisted on what was known as employment by rotation. To do even this, however, necessitated examination of the company's books, and arguments with government employees and representatives of trade unions; before the matter was settled, the business was apt to go into bankruptcy. In any event, employment by rotation was not satisfactory. It was rarely recognized that each employee had specialized in a certain type of work and that an executive, a bookkeeper, a stenographer, or an auditor could not replace each other. When business conditions became worse, factories were expected to continue employing all their labor and to work only so many days or so many hours per week.

The effect of these labor laws was to pauperize certain industries. Undoubtedly the organizations catering to tourists, especially the hotels and travel offices, suffered considerably.

A very prominent industrialist recently gave the following figures covering classification of Greek labor:

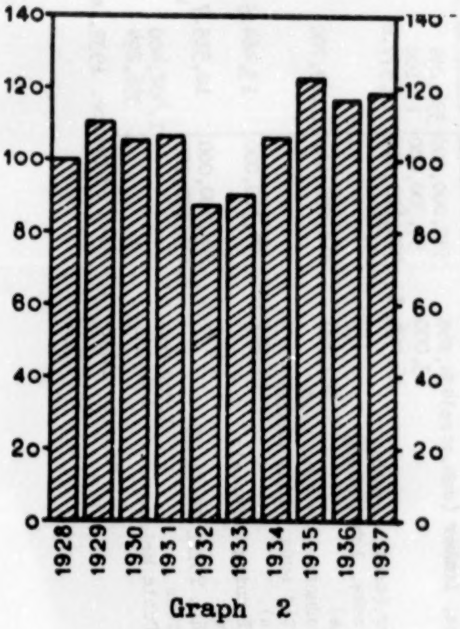
1. Heavy industry	390,000
2. Light industry	165,000
3. Agricultural products industry	170,000
4. Laborers, free occupations	98,000
" and employees, commerce	168,000
" " " transportation	120,000
" building industries	70,000
" press and paper industry	20,000
" public health occupations	40,000
" service of food supply	60,000
" water and lighting services	25,000
" mining enterprises	40,000
" and employees, tourist enterprises	16,000
" fisheries and related services	25,000
" and employees, incorporated companies	100,000
" sanitary service	15,000
servant class	45,000
" and employees in public and private law	40,000
Technical laborers working on animal products	20,000
Laborers without any specific specialty	35,000
Total employed men and women	1,662,000

With the Italian war the labor situation changed - one could even say improved. Quite a large percentage of labor was mobilized into the army and the remaining workers were employed full time by most of the industries.



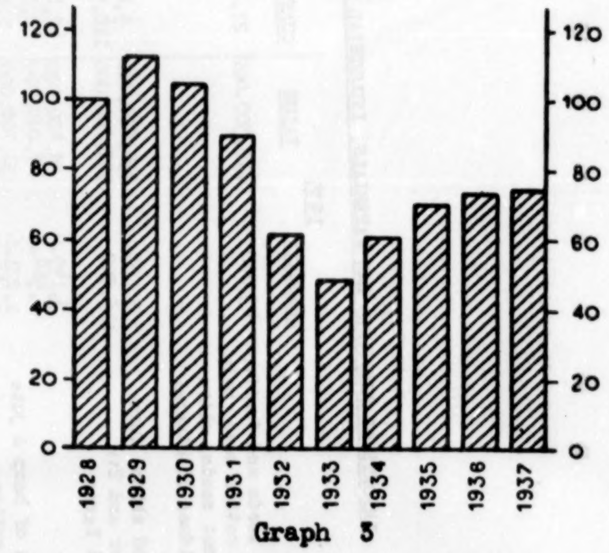
Graph 1

Utilization of Raw Material by Greek Industry
Percentages Local and Imported



Graph 2

Index of Industrial Raw Material Imported
Base Year: 1928 - 100



Graph 3

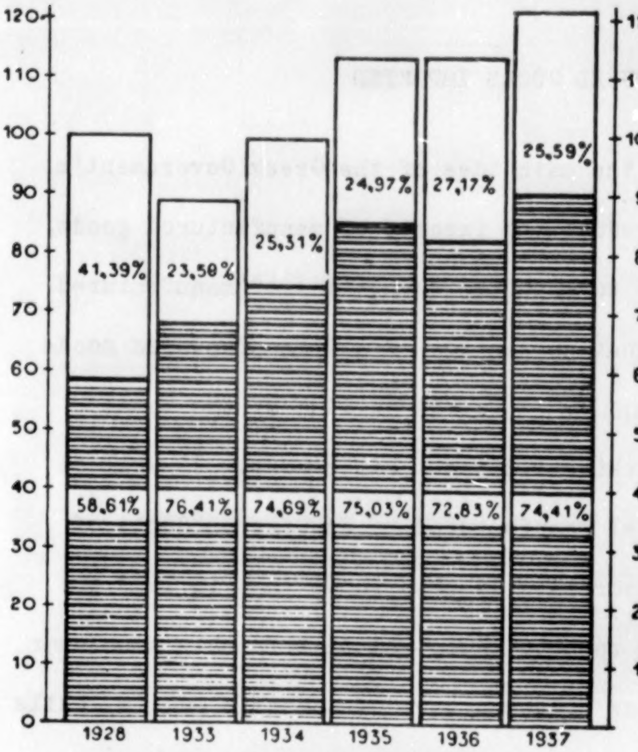
Index of Manufactured Products Imported
Base Year: 1928 - 100

TABLE D

IMPORTS OF PRINCIPAL RAW MATERIALS, INDUSTRIAL NEEDS AND HANDICRAFT FROM 1935 THROUGH 1939, IN TONS AND MILLIONS DRACHMA

	1935		1936		1937		1938		1939	
	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE
1. Oleogenous seeds and fruits, (linseed, cotton seed, palm and cocoanut seeds, olive pits, residues of mineral oils)	43,700	110,300,000	27,200	77,900,000	18,100	97,900,000	15,700	57,200,000	10,900	51,500,000
2. Rawhides and skins, furs	5,100.	234,200,000	5,600	281,300,000	5,600	347,700,000	5,800	315,000,000	4,500	230,300,000
3. Iron, Copper and Tin	115,700	582,200,000	110,900	599,500,000	123,900	956,900,000	115,800	976,300,000	92,100	685,100,000
4. Threads and Yarns										
a. Hemp	3,149.4	38,400,000	2,648.3	35,500,000	2,509.8	35,700,000	3,196.4	38,500,000	2,117.3	23,900,000
b. Jute	2,564.3	27,000,000	2,398.1	28,700,000	3,002.1	37,200,000	3,470.5	40,000,000	3,062.1	43,700,000
c. Threads of hemp & jute	1,231.6	30,700,000	1,133.4	35,800,000	1,096.5	38,700,000	1,042.8	31,700,000	469.1	17,200,000
d. Ginned cotton	7,144.2	224,200,000	4,084.1	128,200,000	2,943.7	103,000,000	2,537.1	82,700,000	2,547.5	79,400,000
e. Threads & yarns of cotton	809.3	156,300,000	783.5	167,600,000	756.6	164,700,000	688.7	151,100,000	647.9	139,700,000
f. wool and hairs	4,153.2	226,800,000	4,747.9	291,600,000	3,115.6	301,500,000	2,309.3	207,700,000	3,175.5	238,800,000
g. Threads & yarns of wool	1,453.7	284,100,000	1,582.5	331,200,000	1,540.8	401,500,000	1,608.6	383,000,000	1,295.9	280,400,000
Total Tons	20,505.7	987,500,000	17,377.8	1,018,600,000	14,965.1	1,082,300,000	14,853.5	934,700,000	13,315.3	823,100,000
5. Construction, Lumber (cub.mtrs)	434,868	548,000,000	356,294	444,100,000	360,192	577,300,000	286,150	509,900,000	260,356	466,500,000
6. Paper Pulp	13,000	59,300,000	17,100	78,500,000	24,000	129,600,000	18,200	103,700,000	14,400	70,000,000
7. Machinery	10,606.3	526,600,000	10,577.6	544,700,000	14,464.7	638,400,000	15,916.4	920,900,000	16,126.6	992,300,000
8. Motive power (coal, naphtha, gasoline, coke, lubricating oil). (Tons)	1,029,700	868,200,000	1,189,700	994,700,000	1,273,700	1,373,800,000	1,298,300	1,448,300	1,229,700	1,507,400,000
9. Chemical Products (Tartaric acid, soda, caustic soda, Chili nitrates, others).	14,243.1	94,300,000	13,464.5	102,500,000	18,506.1	161,800,000	20,329.4	121,000	18,366.4	101,500,000
10. Colors and Tanning materials, dyes, paints	9,438.1	124,500,000	10,515.7	123,400,000	13,805.6	149,100,000	11,290.5	129,600,000	8,849.8	110,400,000
GENERAL TOTAL OF VALUE		4,135,100,000		4,265,200,000		5,514,000,800		5516,600,000		5,038,300,000
Tons	1,262,000		1,402,400		1,507,000		1,516,100		1,408,200	
Cubic Meters	434,868		356,294		360,192		286,150		260,356	

From Economic Year Book of Greece, 1939, edited by Mr. George Charitakis for the League of Greek Banks



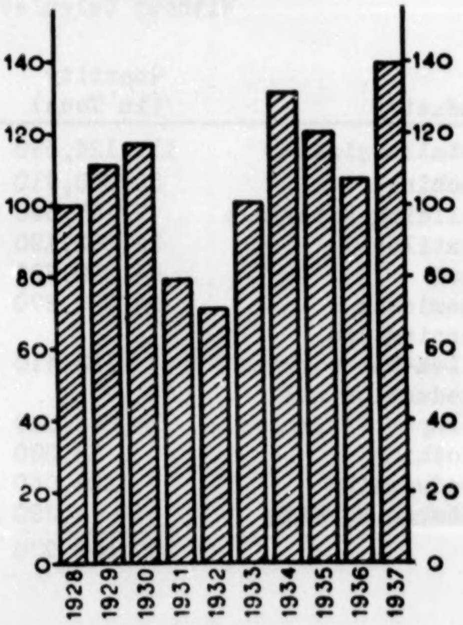
Graph 4

Total Consumption of Manufactured Goods
1928 - 1937

□ IMPORTED
▤ LOCAL

Graph 5

Index of Manufactured Products
Exported
1928 - 1937
Base year: 1928



MANUFACTURED GOODS IMPORTED

When it is considered that the main idea of the Greek Government's sponsoring Greek industries was to reduce the imports of manufactured goods, it is a question of prime importance to know the quantities of manufactured goods imported in recent years and what percentage of all manufactured goods consumed were imported. Graph No. 4 gives an idea of the total consumption of manufactured goods, taking 1928 as a basic year. It will be seen that in 1928, 58.61% of the total manufactured goods were products of Greek industry, while 41.39% were imported. It also shows that in 1937 the total quantity of manufactured goods rose to 120%, and that in this same year 74.41% of the total manufactured goods consumed were of domestic origin, while 25.59% were imported. Had the consumption of manufactured goods not been increased, local industry would have taken care of 90% of the consumption.

Graph No. 3 shows the percentage of manufactured products imported, taking 1928 as a basic year.

The total quantity and value of manufactured goods imported into Greece in the years 1938 and 1939 were as follows:

IMPORTS BY INDUSTRIES

Without Calculating the Value of Imported Flour

Industry	Quantity (in Tons)	Value (in Drs.)	Quantity (In Tons)	Value (in Drs.)
Metallurgical	117,124,590	1,009,442,640	93,301,800	721,052,300
Machines	50,008,910	1,764,500,980	45,623,450	2,118,114,580
Building Materials	7,107,390	23,104,590	5 731,240	23,126,350
Textiles	12,593,190	1,450,156,460	10,076,120	1,171,172,980
Food	84,328,600	435,435,810	70,471,130	410,819,610
Chemicals	94,739,870	1,055,455,000	78,738,440	953,000,100
Tanning and Leather working	123,410	64,924,310	102,490	55,488,650
Production and Paper Finishing	14,086,540	138,930,420	14,936,440	131,835,230
Clothing	55,380	3,288,940	67,880	2,369,030
Woodworking	425,040	2,608,690	44,670	774,130
Tobacco Working	1,390	518,280	2,200	686,380
	380,538,930	5,948,366,120	319,027,980	5,588,349,340

The attached Table E, showing quantities of manufactured products imported into Greece from 1914 to 1939, is also very instructive. When studying these figures, it should be realized that the standard of living has been constantly rising in recent years, and the population has been increasing. The very decided restrictions on imports, and the controlled economy of the country over a period of many years, have undoubtedly reduced imports of manufactured goods to a great extent. That these restrictions have not been still more effective is due to the necessity of allowing from time to time the importation of manufactured goods from countries with which Greece had a clearing agreement, particularly Germany, for the purpose of liquidating the large trading balances that were gradually built up in these countries.

Manufactured Goods Imported

Attached is Table F showing the main items of manufactured goods imported, their quantity and value, during the period of 1935 to 1939, inclusive.

It will be noted that in 1939 this totaled 125,934 tons. When to this is added the 1,408,200 tons of raw materials listed on Table H, the resulting figure is approximately 1,534,000 tons.

Exports of Manufactured Goods

Table G, attached, shows the exports of various industries over a period of years, specifying quantity of each category. Graph 5 shows the index of these exports. The total quantity of Greek manufactured goods exported is still very unimportant. The largest items in recent years has been as follows:

1. Textile Industry: First, cotton yarn, mainly to Yugoslavia, Roumania and Turkey; Second, spun silk; Third, manufactured carpets.
2. Food Industry: Brandies and liqueurs.

TABLE E

IMPORTS OF MANUFACTURED PRODUCTS ACCORDING TO INDUSTRIES
QUANTITIES IN TONS

YEARS	METALLURGICAL	MECHANICAL	CONSTRUCTION	TEXTILE	FOOD* STUFFS	CHEMICAL	LEATHER	PAPER	CLOTHING (Hats)	WOOD-WORKING	TOBACCO	TOTAL
1914	12,082	10,317	1,787	11,896	33,168	28,985	998	8,412	443	472	13	108,220
1923	19,600	10,298	9,500	10,409	39,912	28,118	1,197	5,752	60	922	9	125,717
1924	48,000	20,615	25,000	15,840	63,057	43,649	1,236	18,537	193	1,389	1	237,324
1925	57,404	31,416	69,500	16,801	65,840	58,992	775	14,553	280	3,772	-	319,053
1926	52,200	35,922	48,795	12,375	54,070	33,643	399	13,337	85	1,208	-	251,949
1927	71,693	47,215	50,176	16,011	68,020	46,306	635	14,681	157	417	1	315,155
1928	83,663	62,280	84,150	15,269	72,384	50,012	401	16,696	139	579	1	385,435
1929	94,032	76,891	96,217	15,606	71,955	64,062	423	13,926	221	567	2	433,681
1930	99,550	74,656	76,006	14,632	68,732	47,262	357	16,876	185	775	2	398,858
1931	89,420	53,267	45,462	13,231	65,887	45,753	313	17,887	152	468	2	331,690
1932	80,371	31,148	28,079	8,385	62,231	32,347	147	15,711	78	175	1	258,595
1933	84,208	21,104	7,628	9,564	56,539	38,895	127	14,099	45	655	1	232,820
1934	103,606	26,991	5,044	11,361	65,412	56,342	167	15,105	75	252	1	284,281
1935	117,305	36,281	4,336	14,332	67,463	64,144	183	18,022	79	102	1	322,169
1936	112,260	47,698	4,668	13,736	73,335	78,373	154	16,835	71	130	1	347,191
1937	125,273	60,247	4,838	12,942	77,996	83,453	116	9,898	45	318	0.7	375,081
1938	117,125	50,009	7,107	12,593	84,329	94,740	123	14,087	55	425	1	380,539
1939	93,302	45,623	4,731	10,076	70,471	78,738	102	14,936	68	45	2	319,026

* Doesn't include flour.

TABLE F
Page 1

MANUFACTURED GOODS IMPORTED (BY QUANTITY AND VALUE) 1935 - 1939

	1935		1936		1937		1938		1939	
	QUANTITY	VALUE (In Drs.)	QUANTITY	VALUE (In Drs.)	QUANTITY	VALUE (In Drs.)	QUANTITY	VALUE (In Drs.)	QUANTITY	VALUE (In Drs.)
A. Clothing:										
1. Rubber material	139	25,000,000	107	22,100,000	100.5	23,900,000	97.4	26,500,000	63	15,300,000
2. Linen, jute and hemp	1,454	46,600,000	1,302	44,600,000	647.3	39,500,000	534.6	33,000,000	204	22,500,000
3. Cotton material	4,126	571,500,000	4,384	616,200,000	3,542.6	587,000,000	3,375.2	561,500,000	2,943.5	473,300,000
4. Wool material	480	186,100,000	538	204,500,000	723.1	215,300,000	343.8	160,400,000	293.5	124,000,000
Total Tons	6,199	829,200,000	6,331	887,400,000	5,013.5	865,700,000	4,351.0	781,500,000	3,504.0	635,100,000
B. Household Items:										
1. Furniture, wood	2,910	30,200,000	3,517	36,700,000	2,692.2	33,800,000	1,026.3	14,500,000	200.7	5,700,000
2. Sewing machines	110	20,400,000	250	26,200,000	280.2	30,400,000	443.4	40,000,000	326.2	37,000,000
3. Electrical goods, radios, phonographs	1,054	135,000,000	1,126	140,000,000	1,188.2	166,700,000	1,135.9	181,900,000	795.8	210,000,000
Total Tons	4,074	185,600,000	4,893	202,900,000	4,160.6	230,900,000	2,605.6	236,400,000	1,322.6	252,700,000
C. Articles used in Agriculture:										
1. Sulphur	12,995	53,800,000	11,615	47,400,000	9,204.7	41,300,000	18,381.9	70,400,000	20,415.6	87,400,000
2. Agricultural machinery and implements	1,892	71,400,000	1,782	65,100,000	2,609.9	102,700,000	3,205.1	135,400,000	3,578.6	136,900,000
3. Copper Sulphate	6,528	49,400,000	4,776	38,000,000	7,158.1	85,200,000	8,463.6	80,500,000	6,733.5	74,200,000
4. Chemical fertilizer	36,932	59,400,000	62,748	77,000,000	54,471.8	78,900,000	74,633.3	82,100,000	84,822.6	81,100,000
Total Tons	58,347	234,000,000	80,921	227,500,000	73,444.5	308,100,000	104,684.0	368,500,000	114,822.6	379,600,000

From Economic Yearbook of Greece, 1939, edited by Mr. George Charitakis for the League of Greek Banks.

TABLE F
Page 2

MANUFACTURED GOODS IMPORTED (BY QUANTITY AND VALUE) 1935 - 1939

	1935		1936		1937		1938		1939	
	QUANTITY	VALUE (In Drs.)	QUANTITY	VALUE (In Drs.)	QUANTITY	VALUE (In Drs.)	QUANTITY	VALUE (In Drs.)	QUANTITY	VALUE (In Drs.)
D. Transportation Implements:										
1. Autos (Pieces	387)	42,700,000	460)	50,200,000	435)	67,500,000	589)	65,900,000	539)	71,300,000
(Tons	568)		685)		696)		799)		759.8)	
2. Chassis	2,424	100,400,000	2,227	104,900,000	1,325.7	63,600,000	1,606.1	81,300,000	2,646.2	214,400,000
3. Tires	1,163	77,300,000	847	58,200,000	1,247.0	88,700,000	1,041.1	83,100,000	1,368.9	78,500,000
Total (Pieces	387)	220,400,000	460)	213,300,000	435)	219,800,000	589)	230,300,000	539)	364,200,000
(Tons	4,155)		3,759)		3,268.7)		3,446.4)		4,774.9)	
E. Luxury Articles:										
1. Caviar	178	5,300,000	811	29,000,000	381.2	9,800,000	345.4	13,900,000	365.3	13,400,000
2. Porcelain	271	14,100,000	285	13,600,000	231.1	11,700,000	251.7	13,900,000	220.6	11,200,000
3. Pottery	1,056	21,900,000	1,152	24,000,000	1,054.2	20,700,000	931.5	20,200,000	874.4	16,700,000
4. Perfumery	26	11,500,000	25	11,500,000	35.5	18,300,000	29.8	17,500,000	41.9	15,900,000
5. Silk Stockings	6.4	10,100,000	7.7	13,200,000	10.2	21,400,000	8.8	21,700,000	7.6	20,300,000
Total Tons	1,537.4	62,900,000	2,280.7	91,300,000	1,712.2	81,900,000	1,566.8	87,200,000	1,509.8	77,500,000
General Total (Value		1,532,100,000		1,622,400,000		1,706,400,000		1,703,900,000		1,709,000,000
(Pieces	387		460		435		589			
(Tons	74,312.4		98,191.7		87,599.5		116,655.8			

TABLE G

EXPORTS OF MANUFACTURED PRODUCTS ACCORDING TO INDUSTRIES
QUANTITY IN TONS

YEARS	MINERAL	CONSTRUC-TION	TEXTILE	FOOD* STUFFS	CHEM-ICAL	TOBACCO (CIGARETTES)	TOTAL
1914	18,313	452	278	897	8,118	-	28,058
1923	5,414	2	914	220	19.744	30	26,322
1924	6,206	3	491	285	19.384	35	26,404
1925	5,787	43	476	341	22,758	49	29.454
1926	7,202	118	752	836	22,309	112	31.329
1928	6,716	99	1,430	854	25,957	70	35.126
1929	5,017	213	1,209	974	44,499	71	51,983
1930	7,708	8	622	896	44,487	57	53.778
1931	7,420	-	498	962	26,543	52	35.495
1932	6,533	-	234	1,288	33,101	66	41,222
1933	7.188	16,104	708	950	35,729	104	60,783
1934	7.525	18,586	702	1,522	52,648	95	81,078
1935	1,929	6,750	675	1,817	42,886	88	54,145
1936	2,625	1,192	1,660	1,359	49,282	90	56,208
1937	2,282	117	1,532	1,424	62,373	94	67,822
1938	690	4	1,140	1,002	53.735	86	56,069
1939	243	8	1,518	825	60,044	91	62,729

* Doesn't include wine, olive oil.

3. Chemical Industry: The largest exports of manufactured goods come under this heading. They include sulphur oil, colophone, turpentine, chemical fertilizers, soap, and a small quantity of glassware and pottery. During recent years a considerable amount of tanning extract, manufactured from valona, has also been exported.

MANNER OF SALE OF FINISHED PRODUCTS

(A) Most Greek factories sold their goods either through the services of an agent working for them on a commission basis or through what was known as a general dealer - there was a slight distinction between the two. The general dealer was a wholesale merchant who obtained large consignments of the manufactured products and who usually received a commission on their sale, plus a larger commission for paying cash. He in turn sold the merchandise for either cash or credit, in the latter case after using his own credit facilities and extending several months' credit.

Much depended on the contracts between the factories and the general dealers. In theory, when factories had such an arrangement, they could do business only through the general dealers or commission agents. In practice however, the manufacturers often dealt direct, especially with the larger stores. In this connection, many of the contracts existing between the factories and the commission agents and general dealers specified that certain trades, particularly Government orders, were exempt from the agreement.

Such commission agents and general dealers cover either the whole country or certain sections of it. If their territory includes the entire country, they have their sub-agents and sub-dealers for various districts.

(B) It can be stated that as a general rule, regardless of agreements made with certain wholesale dealers and commission agents, the factories were prepared to make quotations directly to other wholesale dealers and occasionally to retailers. As a matter of fact, it had been a common complaint in Greece that the factories did not have fixed prices. The factories were supposed to adhere to certain prices, fixed periodically, and based on prevailing costs of raw material, labor, and overhead, plus profit. However, practically all the factories had a tendency when they were particularly short of funds (which was generally the case when they had to pay for large stocks of raw material), to call on the larger general dealers and offer them a cash discount. Manufacturers have been so short of money at times, it is stated, that to keep their factories running they were prepared to sell at a loss. Of course this is not true of every factory in Greece, but it has happened in many instances.

The government was always an important client, especially when it purchased large quantities of material for soldiers' uniforms and underclothing, blankets, and various supplies and equipment for the army, also for the ministries, etc. Here special conditions existed and the factory's money was tied up for quite a while.

(C) A few of the textile factories have gone so far as to run their own stores. This is also true of some of the clothing manufacturers (hatters), and has received much criticism.

As a general rule, except for certain specialized trades, the stores expected to receive credit for one to four months, or even more. This credit was given by the stores signing bills of exchange which the factories discounted with banks. When sold through an agent, the paper often bore his signature as well. In some cases, the agent or wholesale dealer would turn over to factories signed bills of two, three and four months, for round amounts occasionally in excess of goods received by him on consignment and thus enable the factory to obtain cash by discounting his paper.

There were very few industries that did not discount their paper with banks; strange as it may seem, a few did exist, and such industries had to send the paper they received to banks, for collection.

As in other countries, during certain seasons of the year the factories or the wholesale dealers would prepare sample collections and send their commercial travellers around the country for the sale of their products. This was done in a much smaller way, of course, than in a country like the United States.

There were certain specialized conditions for sales among certain factories. Thus, for instance, the fertilizer factory would have the full support of the bank of Agriculture and the agents of the fertilizer factory could assure the farmer that if he bought fertilizers from this privileged concern, he could obtain three to six months credit and sign bills which the company would discount with the Bank of Agriculture. The salesmen or agents of the companies who dealt in imported fertilizers could not give this assurance and the farmers would have to pay cash.

On the whole it can be stated that the sale of Greek manufactured products was not particularly difficult, especially in recent years. This was because of the following facts:

In the first place there was a dearth of foreign manufactured products. When obtainable, they were much more expensive than Greek products.

Secondly, import duty was so high that in certain classifications only the better qualities of foreign manufactured products were imported. These, of course, were preferable to many Greek-manufactured products but cost considerably more. People in the large cities still preferred to purchase a suit length of British worsted goods. Women preferred a French silk printed dress to the local product. Often they were wrong; particularly in the case of silks. Greece manufactured excellent silk materials; silk that worked well and which could be criticized as being too good, not using filling or starch. The ladies' dresses did not, perhaps, have the style in the prints that the French material had. The same can be said about Greek pottery and glass. No china was manufactured in Greece.

There were certain articles no one ever thought of importing into Greece, such as shoes or ready-made clothes. But a certain type of people would always prefer the foreign silk stocking or foreign woolen underclothes, or wool socks, to the local products, especially again in the larger cities. There was no question of buying imported furniture, as foreign-made furniture was not on sale in Greece. As time went on, people did not think of using imported radiators in building their houses, or imported tiles.

There were certain classes, of course, of manufactured goods that were not made in Greece, such as typewriters, automobiles, tractors and agricultural machinery.

In the provinces there was no question of the preference for foreign products. As long as the farmer and the peasant could purchase something that wore well or an implement that could dig, they were not interested in whether it was local or foreign; so, gradually, it really became a question of price. But it has been argued by some of the industrialists that even here foreign politics, especially German politics, interfered. A pottery manufacturer could argue that his stands and toilet basins were far superior to the German but that notwithstanding the high duty, Germany used Greece as a dumping ground and undersold the local product. He could say the same about earthenware plates and cups. However this may be, Greek pottery had made enormous strides and was doing a large business; the output and sales were increasing.

Agencies and Government Control

Under law, all industries came under the Ministry of National Economy. A special department of the ministry not only supervised the proper operation of industry but also gave a permit for the foundation of any single industry. The operation of any single industry was governed by certain rules and regulations and an industry could only be founded providing these rules and regulations were carefully followed. These were supposed to cover detailed plans of the industry to be formed and valuation of the property and machinery by experts appointed by the ministry. When approval was given, all this was published in the Government gazette, and was contained in the act of incorporation covering the formation of the industry.

There were certain special laws and regulations controlling industry, such as:

Limitation of foundation of new industries or expansion of old ones beyond what was considered saturation point. This entailed limitation of looms and spindles in textile industries. The refining of fats and oils by certain methods was limited to certain privileged industries. While in theory the Government control was efficient and severe, in practice industry had very little interference from the Government, especially the supervising ministry. The Ministries of Finance and Labor interfered with industry in many ways; the former in connection with direct and indirect taxes, the latter in connection with labor problems.

Besides the Ministry of National Economy, there was a semi-government Chamber of Commerce and Industry which followed up and helped industry.

This association was formed under special law which necessitated everyone in business having a license. Before having a license one had to be a member of the Chamber of Commerce and Industry. Industries were divided by classification and each classification elected one, two or three representatives, who formed the directors of the Chamber. This group was supposed to advise the Government and assist commerce and industry in various ways. In recent years it played a very important role in connection with the restriction of imports. It was in charge of issuing the permits for imports of all classifications of merchandise. The other functions of the Chamber of Commerce during the last six years were practically dead.

There was also a scientific association to which most industries belonged.

VALUE OF LOCAL INDUSTRIAL PLANTS

It is a moot question what the exact value of the Greek industrial plant was. In a study made in 1930 it was calculated that the industrial plants were worth 8½ billion drachmas. The British Commercial Secretary, in his annual report for 1932 and 1933, placed the valuation at that time at 7 billion stabilized drachmas or 90 million gold dollars. Reporting for 1938, he placed the value of the large chemical fertilizer factory alone at 1 billion drachmas. It should be stated that practically every factory had large hidden assets, and that examination of balance sheets alone did not give a correct evaluation. Factories whose balance sheets showed installations at 30 million drachmas often actually owned installations worth over 100 million drachmas. Undoubtedly, the value of Greek industrial installations could not have been less than 20 billion drachmas at the time of occupation, or about 135 million dollars.

THE FINANCIAL SITUATION OF GREEK INDUSTRIES

There is a tendency to assume that the financial situation of Greek industries was bad, that Greek industries as a whole were mortgaged to the hilt to Greek banks. These are sweeping statements and far from the truth. Considering the situation as it was in Greece, where large fortunes were made abroad and remained abroad, and considering the expansion of industry during the years 1922 to 1932, it is easy to understand that the local market was not organized to float new issues. Had it been organized, it is questionable whether established industry or new business enterprises would have gone to an issuing house to float bonds.

In a few instances certain companies did go to the two larger banks, the National Bank of Greece and the Bank of Athens; when they tried years later to get back the shares that had been underwritten by these banks, they naturally were unable to do so. The National Bank of Greece particularly has always professed an interest in industry. In the final analysis, however, this like every other bank was primarily a commercial bank, accepting sight and saving deposits and advertising for such deposits. While the National Bank was authorized to and did offer the public two or three issues of long term bonds, this was exceptional, and the total bond issues were comparatively small, insufficient to finance long term industrial loans.

When these facts are considered, it is surprising that the financial situation of industry was so good, that so many factories flourished, that so many companies were unencumbered. As time went by, the industrial situation improved steadily, and at the beginning of the Italian war, industry (by and large) was flourishing. This was natural when it is considered that large tariffs protected local produce and that the restriction of imports guaranteed an outlet for manufactured products. At the time of occupation, the balance sheets of the few larger and older industries showed a good, healthy condition, regardless of the fact that the shares were pledged or hypothecated.

Most industries were organized as corporations, limited liability companies. The shares of a majority of these corporations were quoted on the Athens Stock Exchange. In some instances the shares were quoted only nominally, as they were all closely held by one family or group of families. In a few cases these groups had the shares hypothecated to the banks to obtain personal or business loans. When the shares were hypothecated to obtain money for business purposes, sometimes the money was again deposited with the bank for the purpose of reducing income taxes.

The facilities that industries expected from banks were the following:

A. Mortgage loans. These were long term loans, usually with the National Mortgage Bank, at one time with the National Bank of Greece and Hanbro. The mortgage loans were made to finance construction of factories, improvements on factories, and sometimes for the purpose of buying raw material.

B. Loans against pledges of raw material, spare parts and manufactured products. These loans were made to obtain operating capital.

C. Clean Overdrafts. These were overdrafts without any collateral other than, occasionally, the guarantees of an affiliated concern, the main shareholder, and at times that of one or two managing directors. This type of loan became very common between the years 1925 and 1930 and was the outcome of competition between banks, particularly the competition arising from the two new banks, the subsidiary of the Banca Commerciale Italiana, and the subsidiary of the Ottoman Bank. Originally these loans were intended to be seasonal, permitting the various industries to buy up cotton crops, cocoons, and other raw materials. In such cases the industries were glad to pledge this material. To obtain business, these two new banks granted extraordinary facilities and the other banks had to follow suit. In the course of competition it became a common practice for nearly every industry to ask for such clean overdrafts. The overdrafts became permanent ones and often showed very little movement.

D. Discount of Paper. With few exceptions most industries discounted their paper covering sales to wholesalers and retailers. This paper usually bore at least one, and often two or more, signatures, depending on whether the merchandise was sold direct to the trade or through wholesale dealers or agents. On the whole, this paper was the best type of security on the market; but here again banks encouraged industries to supply such paper and at times facility paper, bearing the signatures of directors, of subsidiaries, and of wholesale dealers, without having an underlying commercial transaction.

It has also been said that the interest rates on money borrowed from banks ate up all profits. The banks, because of their controlling interest in industries, hindered expansion and very often normal trading, and embarrassed industries by having raw material, semi-manufactured, and manufactured goods hypothecated. In some cases an entire industry would change hands because of these loans, or because the corporate shares had been pledged for loans required by either the industry or the main shareholders. This situation will have facilitated the transfer of many industries to German hands, and will be a source of great trouble when the time comes to liberate them. But the real causes of this situation were currency and banking conditions.

Loans to Industries in Foreign Currency

Whenever industries have borrowed foreign currency from abroad and have not been protected in some way, they have been repeatedly victimized

The only exceptions, perhaps, were certain luxury trades, such as the manufacturing of silk piece goods, etc. Wages varied in accordance with sex and work; an average wage would be 75 to 100 Drs. per day (50 cents to 75 cents).

In 1938 a social insurance law was passed and put into effect. It included death, old age, and sickness benefits. The law was much criticized, and the retentions made by both employers and employees were borrowed by the Government.

RAW MATERIALS USED IN GREEK INDUSTRY, LOCAL and IMPORTED

The attached list shows the quantity of raw material imported in recent years for use in Greek industry. It will be noted that in 1939 this amounted to 1,408,200 tons, the largest part of which was coal, fuel oil, and gasoline required for motive power (1,229,700).

In the potteries a considerable amount of silica and local clays are used, but it has been necessary to import a certain amount of British and French clays. Even magnesite bricks for kilns have been imported; an effort made in recent years to manufacture them locally was not very successful.

LOCAL RAW MATERIALS (Listed by Industry)

INDUSTRY	LOCAL	IMPORTED
Metallurgical	Lead Ore	
Metal Fabricating		Bulk in semi-manufactured state
Building Industry	Stone Marble Soil for Bricks Gypsum	Fuel

LOCAL RAW MATERIALS (Listed by Industry) [continued]

INDUSTRY	LOCAL	IMPORTED
Spinning and Textile	Cotton Silk Wool (small quantities)	Wool (Bulk--mainly as yarn) Rubber Jute Hemp
Food	Wheat Grapejuice Olive Oil Sesame Wine Cotton Tobacco Seeds	Wheat Cocoanut Palm Seeds Fish Oil Sugar Cocoa beans
Chemical	Iron Pyrites Pine Rosin Olive Pits Miscellaneous	Caustic Soda for Soap Nitrates and phosphates for Fertilizers Asphalt
Leather	Upper Skins Kidskins for Gloves	Sole Upper Skins
Paper	Rags used for Cardboard	Paper Pulp Wool for Felt Hats Umbrella Material
Woodworking		Wood for: Furniture Floors Windows Barrels
Tobacco	All Raw Material Needed	
Electricity		Fuel

Graph 1 (below) shows the percentage of local and imported raw material used in Greek industry in recent years (1928-1937), and Table D shows Imports of Principal Raw Materials, Industrial Needs, etc., from 1935 through 1939 by the depreciation of the currency.

As an example, one could refer to the so-called Hanbro loans. Hanbros, the government bankers, together with the National Bank of Greece, made a number of mortgage loans to Greek industries, in Sterling. Actually, the industries sold the Sterling to obtain local currency. When the currency depreciated, the industries were in no position to pay the mortgages. This particular problem was solved after months of negotiation and considerable friction.

Again, the National Mortgage Bank faced and faces the same issue. The National Mortgage Bank, with a very small capital, had a large bonded Sterling indebtedness floated in London. It issued mortgages mainly on real estate, but in a few instances to communities and industries. There is always the possibility that a large part of the Sterling bonds issued by the National Bank have got into the hands of individuals of Greek extraction. Many are certainly held in Greece. If a settlement is given to the Greek Nationals different from that given to the Foreign Nationals, it will again be to the discouragement of Greek capital.

This problem has not been settled and will be one of the important ones at the time of liberation. The owners of the real estate or industries obtained local currency but gave mortgages in Sterling. (There is, further, a cement company in Chalkis, Euboea, which borrowed funds in Switzerland. While it had done good business and could have paid back many times the principal, it was not allowed to because of Exchange restrictions, and today it is probably bankrupt.)

Industries which had borrowed foreign currencies from abroad have occasionally been protected; for example, the Fertilizer Company, which also owns the largest iron pyrites mine in Greece, had at first borrowed

Sterling from a German concern, later borrowed Sterling on the London market through Hanbro's, and then repaid the loans by exporting iron pyrites.

BANK OF INDUSTRY

Some years ago, the same Kanelopoulos Group of industrialists referred to earlier in this section thought that the solution to the problems of finance and industry would be the formation of a "Bank of Industry." Their ideas were followed by one or two other industrialists in the country.. Actually, in every case, this idea was a complete failure, because the industries themselves had insufficient capital and looked to the sight deposits of the general public to finance their expansions. The founders and directors of these banks used the public deposits to finance their industries, without any conception or consideration of proper commercial banking. In a moment of depression their banks invariably failed or got into difficulties and it then appeared that the industrialists had borrowed from the banks beyond reason for their own particular interest.

NEW INDUSTRIES UNDER AXIS DOMINATION

It is reported that many German companies have recently been founded, with a view to exploiting the country to the full. Among them are the following:

Construction Steel Company of the Balkans, Inc., (Anonymos Etaireia Ktirion Chalyvos dia ten Balkanikin), Piraeus. Capital, 125,000,000.

For the production of steel and metallurgy in general.

General Insurance Company, Inc. (Anonymos Etaireia Genikon Asphaleion), Athens. Capital, 8,000,000 drachmas. Chiefly concerned with fire, transportation, and war risk insurance.

Pan-European Advertising Unien (Panevropaiki Enosis Diaphimiseon), Athens, Capital, 10,000,000 drachmas.

"Victoria" and "Arippina", Athens. German insurance companies dealing in fire and transportation insurance.

Real Estate Company, Inc. (Anonymos Ktimatiki Etaireai), Athens. Capital, 12,000,000 drachmas. Deals in the buying, selling and developing of real estate, construction, and the development of quarries.

Aegean Export Company (Etaireia Exagogon Aigaiou), Athens. Capital, 9,000,000 drachmas. Trades in native products.

Mecedonian Exchange Company, Inc. (Makedoniki Anonymos Etaireia Antallagon), Saloniki. Capital, 6,000,000 drachmas.

Herakles Insurance Company. (Asphalistiki Etaireia "Erakles"), Athens. Capital, 7,000,000 drachmas. War risk and marine insurance, domestic and foreign.

"Niki", Inc. Athens. Capital, 15,000,000 drachmas. Trades in merchandise, and especially in raw and cured hides.

Economic statistics published by Germany show Greek exports during the first five months of 1942 as 63,400 tons, with a value of 1,489 million drachmas. These consisted chiefly of tobacco, currants, olive oil, and minerals. Imports consisted chiefly of coal and other fuels and were mostly from Germany, Italy, Rumania, Serbia, and Turkey. Exports were to Germany and Italy, and were paid for at prices and in the currency determined by the invaders.

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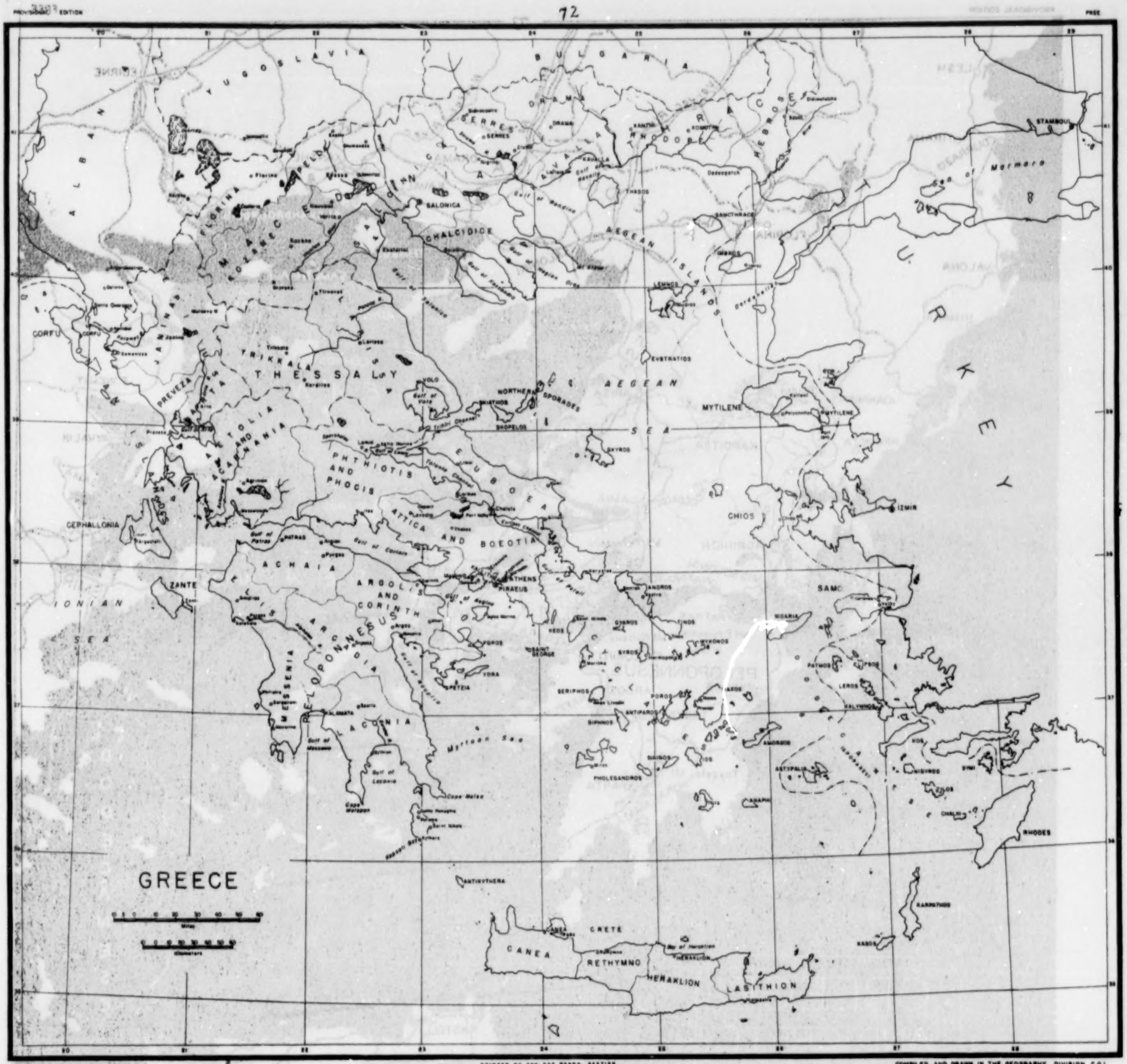

GREECE
Miles
Kilometers
YUGOSLAVIA
BULGARIA
ALBANIA
TURKEY
THRACE
MACEDONIA
SERRES
DRAMA
FLORINA
KOZANI
SALONICA
CHALCIDICE
THASOS
EVROS
AEGEAN ISLANDS
LEMNOS
STAMBOUL
Sea of Marmara
CORFU
IOANNINA
PREVEZA
TRIKKALA
THESSALY
LARISSA
VOLO
NORTHERN SPORADES
AEGEAN SEA
EVSTRATIOS
MYTILENE
SKYROS
AETOLIA AND ACARNANIA
PHTHIOTIS AND PHOCIS
EUBOEA
ATTICA AND BOEOTIA
CHIOS
IZMIR
CEPHALLONIA
ACHAIA
PATRAS
Gulf of Corinth
ARGOLIS AND CORINTH
ATHENS
PIRAEUS
SAMOS
IKARIA
ZANTE
IONIAN SEA
PELOPONNESUS
ARCADIA
MESSENIA
LACONIA
CYCLADES
ANDROS
TINOS
SYROS
MYKONOS
NAXOS
PAROS
SERIPHOS
SIPHNOS
MILOS
PHOLEGANDROS
AMORGOS
ASTYPALIA
LEROS
PATMOS
KALYMNOS
KOS
RHODES
Myrtoan Sea
Cape Malea
Cape Matapan
ANTIKYTHERA
CRETE
CANEA
RETHYMNO
HERAKLION
LASITHION
KARPATHOS
KASOS

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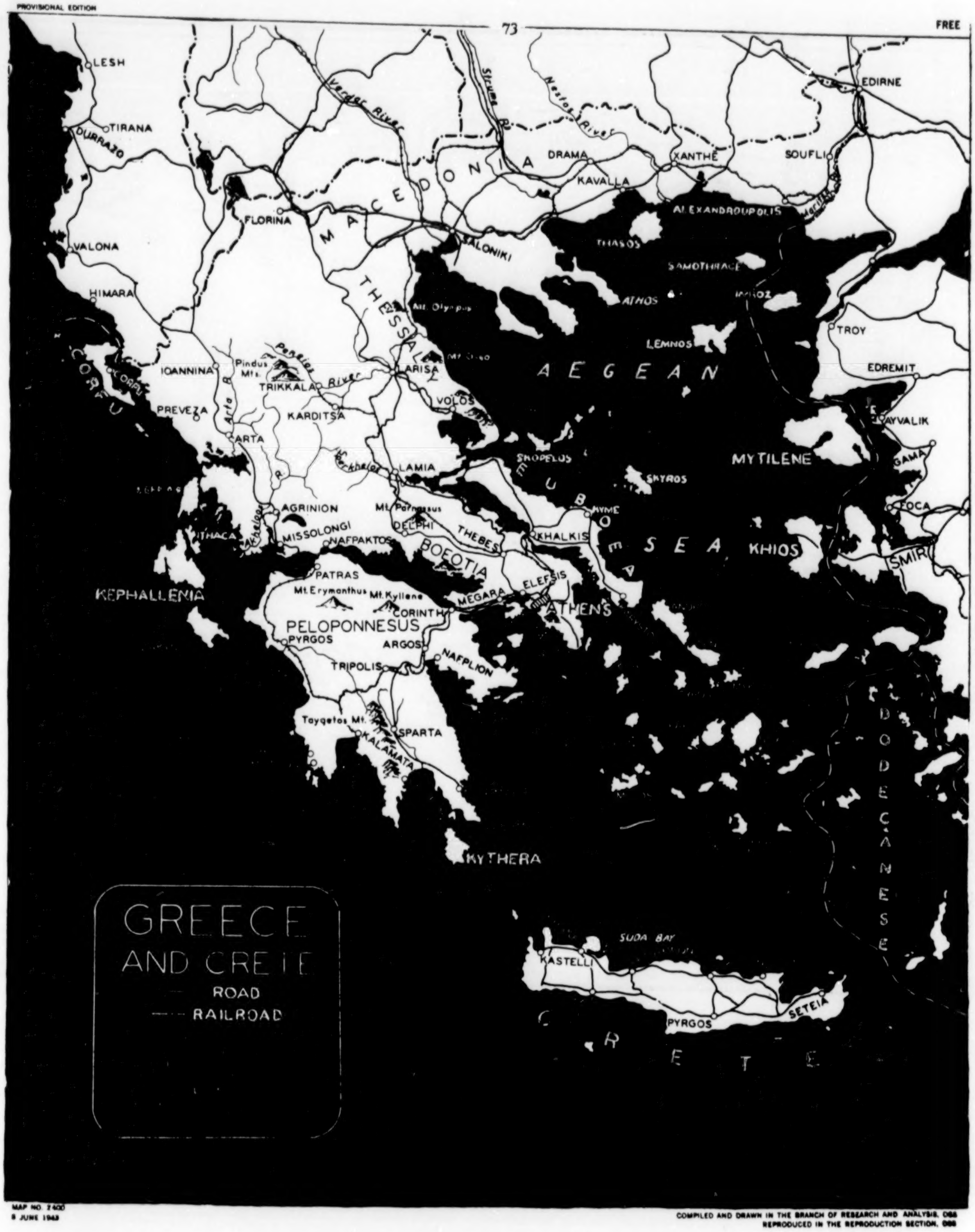
GREECE
AND CRETE
ROAD
RAILROAD
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TIRANA
DURRAZO
VALONA
HIMARA
CORFU
IOANNINA
PREVEZA
ARTA
Arta R.
Pindus Mts.
Peneios River
TRIKKALA
KARDITSA
LARISA
VOLOS
LAMIA
Akheloos
AGRINION
MISSOLONGI
NAFPAKTOS
Mt. Parnassus
DELPHI
THEBES
BOEOTIA
KHALKIS
ITHACA
KEPHALLENIA
PATRAS
Mt. Erymanthus
Mt. Kyllene
CORINTH
MEGARA
ELEFSIS
ATHENS
PELOPONNESUS
PYRGOS
ARGOS
NAFPLION
TRIPOLIS
Taygetos Mt.
SPARTA
KALAMATA
KYTHERA
FLORINA
MACEDONIA
THESSALY
SALONIKI
Mt. Olympus
Mt. Ossa
Vardar River
Struma R.
Nestos River
DRAMA
KAVALLA
XANTHE
SOUFLI
EDIRNE
ALEXANDROUPOLIS
THASOS
SAMOTHRACE
IMBROZ
ATHOS
LEMNOS
TROY
EDREMIT
AYVALIK
AEGEAN
SEA
SKOPELOS
SKYROS
EUBOEA
KYME
MYTILENE
KHIOS
FOCA
SMIR
DODECANESE
SUDA BAY
KASTELLI
PYRGOS
SETEIA
CRETE

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